National Study on the Customer Services of the Albanian Water Utility Companies

FINAL REPORT

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1 Executive Summary

1.1 Introduction

With this Study on the Customer Services of the Water Utilities in Albania it is the first time that attention is directed toward the customer, and not simply to the physical needs of infrastructure in the sector. This change in focus is important, when consideration is given to other priorities that Albania has defined, and to which it is committed, as follows:

- Albania is implementing the Stability and Association Agreement (SAA) with the objective to join the European Union (EU). This requires full compliance with EU directives in all sectors.
- Albania, as a co-sponsor of the United Nations resolution making the “Access to Safe Drinking Water and Sanitation as a Human Right”.
- Albania is committed to demonstrate, through words and actions, that a small, developing country can respond to a global issue, and do its part to ensure equality for all of its citizens when it comes to human rights in terms of drinking water and sewerage.
- Albania recognizes the unique role of safe drinking water and sewerage in supporting quality of life and economic development in low and middle income countries.
- Albania also understands the natural, monopolistic character of delivering this essential public service, and the need for equity and fairness for all participants in the sector.

The water supply and sewerage sector in Albania is facing a number of serious challenges that it must address in the near-term, if it is going to be successful in supporting the commitments mentioned above. These challenges include the following:

- Increase and improve the corporatization and commercialization practices.
- Move to a more regionalized service delivery structure.
- Increase the coverage, level and quality of service.
- Gain customer support for what will be significant increases in the unit cost of water supply and sewerage services in the future.
- Achieve full financial sustainability of the utility without Government subsidies.

To meet these challenges, the water utilities in Albania must change the position of the customer, in the order of priority, placing customer issues and concerns central to the decision making process of the utility.

1.2 Basis and Intent of the Study Report
This Report has been prepared to assist the Water Regulatory Authority of Albania to assess the level of Customer Services being provided by the 56\(^1\) water supply and sewerage companies in the country, as compared to international best practice. In doing this, the Report provides advice and recommendations as to issues that need to be addressed and actions that need to be taken to improve Customer Services in the water utilities of Albania. This study has been prepared in cooperation with the Water Regulatory Authority of Albania with the support of the Joint United Nations Programme on Economic Governance, Regulatory Reform and Pro-Poor Development financed by the Government of Spain through the MDG Achievement Fund. The intent is that the Report findings and recommendations will be used as a situation analysis and inputs for the future preparation, by the Water Regulatory Authority with GIZ support, of Customer Service Standards and a Customer Services Guideline to be applied in all water supply and sewerage utilities in Albania.

### 1.3 Customer Service Functional Areas and International Best Practices Overview

To be able to structure the survey questionnaire for both the International Good Practice Survey and the Current Practice in Albania Survey, the functional areas that contemporary water supply and sewerage utilities aggregate under the category of Customer Service were clearly defined. In this way, no effort was made to force the questionnaire, and therefore the responses, to conform to a contemporary Customer Service structure. Instead, the approach was to simply focus on how the functional areas are addressed in a particular utility in Albania, if at all. These functional areas were defined as follows:

- Customer Service Organization and Staffing
- Customer Database Management
- Public Information and Communication / Feedback Management
- Customer Complaints Management
- Meter Management
- Billing and Collection Management
- Disconnections / Non-Payment Procedures

These functional areas conform quite completely with the latest thinking on the subject of Customer Service, both as published by the American Water Works Association and the International Water Association. The questionnaire, developed in this way, was reviewed, and agreed by as stakeholder group that were solicited for input and comment.

The International Good Practice Survey served to provide reference points to determine current best practices in customer service of water utilities worldwide. The main objective of this tool was to support the identification of gaps between current good practices and customer service provided by the various utilities in Albania, by comparing the survey results in Albania to the range of current best practices. The International Good Practice baseline includes a total of seven (7) water supply and/or sewerage utilities as best practice examples.

### 1.4 Survey and Current Situation Baseline

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\(^1\) Although combined into one licensed operator, at the time of the preparation of this report, both Berat and Kucove reported two separate datasets, due to their specific conditions and characteristics until further merging.
The survey questionnaire used to collect data relative to Customer Service in Albanian water utilities was sent to each of the 56 Albanian water companies. Since the survey was a mail survey only, a significant effort was made in conducting telephone follow-up calls to verify, and increase the completion of responses to the questionnaire, or to encourage an initial completion of the questionnaires. In several cases, the data provided by the utilities was unclear, inconsistent or missing.

The Current Situation Baseline provides a thorough analysis for the level of customer services as being provided by the fifty (50) utilities that finally responded to the survey from throughout Albania. The data that were collected through the survey were entered into a data base management system that was used for further processing and analysis to better determine the Sector Wide Analysis with respect to Customer Service for Water Utilities. This database system contains 50 worksheets, one created for each individual utility with entire information stored as completed and submitted by them. In addition to the survey, and where the information would supplement the overall analyses, data performance indicators from the Monitoring and Benchmarking Unit at the General Directorate of Water Supply and Sewerage, were also used.

1.5 Gap-Analysis, Key Findings, Conclusions and Summary Recommendations

The Gap Analysis highlighted the most relevant and significant differences between current international best practices and current practices in Albania, in order to arrive at final recommendations to improve the delivery of Customer Service of all water utilities in Albania. On-site visits and interviews, following the same structured survey questionnaire format, at selected water supply and sewerage utilities in Albania served form a clearer understanding of Customer Service Practices at utilities that have received donor funded technical assistance for capacity building. The on-site visits contributed substantively to the formulation of the functional area recommendations.

Summary of Report Key Findings

**Customer Service Organization and Staffing:** The majority of water utilities in Albania have not progressed toward best practice in organizational structure in terms of establishing Customer Service Departments that include all or most customer service functional areas. The Customer Service staff of water utilities are not adequately qualified and trained to perform their duties in conformance with detailed job descriptions, which do not exist in most of the utilities.

**Customer Data Base Management:** The water utilities are moving slowly towards implementation of properly designed Customer Database Management System. A great amount of information is still managed manually, which increases the level of errors and communication with customers.

**Public Relation and Customer Feedback Management:** With few exemptions, it can generally be stated that Public Relations and Communication with the customer, is not a structured and institutionalized function within the utilities.

**Customer Complaint Management:** Utilities lack the development and implementation of proper procedures or policies to manage customer complaints. The systems used to record, file and track customer complaints until final resolution are inefficient in a majority
of the cases, which result in a lack of monitoring, analysis, ranking of customer complaints by category, and focus on corrective technical and administrative measures.

**Billing and Collection Management**: Billing and Collection procedures are not always detailed or implemented. In many utilities, there are no customized, computer-based billing and collection systems, and instead, too many utilities, particularly the smaller ones, rely on manual billing and collection procedures.

**Metering Management**: The meter coverage throughout the country remains very low, and water utilities are largely facing a great financial challenge to increase meter coverage for all customer categories, and to coordinate financial support to be able to implement the full metering policy in the near future. Lack of metering undermines water loss control, costing and pricing, and any water conservation measures. Meter reading and recording procedures, in nearly all cases, are performed manually throughout Albania, which extends the possibility for potential types of errors that are reflected later in the customer bill.

**Service Disconnection Management**: Largely, the water utilities fail to develop and enforce sound service disconnection procedures, as well as the rigorous follow-up with legal actions for customers that refuse to pay water bills. This is particularly true in cases when water utilities have not yet started to execute the Model Service Contract that outlines the duties and responsibilities of both the utility and the customer regarding legal actions that result from non-payment of water bills.

**Conclusions**

Although very positive examples of particular functional areas of customer service can be found in Albania, it must still be stated, based on the practices of well-performing utilities at the international level that the Albanian water supply and sewerage utility sector has still some way to go to reach the level of well-performing utilities in this critical area of utility management.

Training, resources and organizational changes are clearly needed to strengthen the customer services of the Albanian water utility companies. However, a decisive factor in improving relations with customer is senior management’s leadership in putting the customers at the center of the companies’ strategies and translating this into new structures, capacities and behavior of company staff. As is often quoted, “Quality customer service is not a by-product of the utility’s operations – it is the fundamental reason for the utility’s existence”.

Last but not least, **improved quality customer service can be a relatively rapid and inexpensive way to gain customers’ acceptance of higher tariffs!**

**Summary Recommendations**

The Study Report is comprehensive in presenting specific recommendations, related to each functional area of customer service that was analyzed, based on the survey data received and international best practice. These recommendations were developed while still keeping in mind
the overarching concern with the lack of a customer centered philosophy at most water utilities in Albania. These recommendations can be summarized under the following three main headings:

**Qualified and Trained Customer Centered Staff:** Once a utility finally commits to truly refocus its operations to a customer centered approach, it must hire, train and build capacity in staff to implement this new approach. This means assembling a staffing structure, with assigned task responsibilities that more closely resemble those in best practice utilities.

However the effort must not stop there. Every member of the staff must be customer centered, and therefore, the training must reach everyone, consistent with the nature of the position they occupy in the utility, and the typical nature of their likely contact with the customer. This means the meter reader and the maintenance crews that are repairing the networks.

**Commitment of Resources:** Since communication, of all forms, is an important part of the overall customer service functional areas, utilities must consciously budget for these expenditures. A rational, cost-effective Communications Plan is a cost of doing business, must be calculated into the revenue needs, and reflected in the tariff. A Communications Plan, with insufficient budget, is an army without weapons.

Communications should not be discretionary in terms of budget, or optional, when the utility has time. It is as essential as the lubricant for motors and pumps, or the disinfectant chemicals for water supply.

**Coordination with Local Government Shareholders:** As Albania moves toward implementing its regionalization strategy, according to the Water Supply and Sewerage Services Strategy that was approved by the Council of Ministers, local governments within a defined regional service area will also become formal customers of the utility. The relationship between the regional utility and the respective local governments must move toward becoming more contractual, and away from being political. In this regard, quality customer service must truly come from the top down in a utility, and must reflect transparency and equity in the provision of services based on some form of service delivery agreement between a local government and a regional water supply and sewerage services provider.

In this way, the utility will have a partnership both with an end user (the customer) and the local government that is responsible, under law, to ensure the provision of water supply and sewerage services to the constituents within its administrative boundaries.
2 Introduction

2.1 General Sector Background and Project Introduction

Albania has moved steadily toward the decentralization of government, and with that, the transfer of ownership and responsibility for water supply and sewerage services to local government. At the current time, 90% of the corporatized water utilities have been transferred to local government units (LGU). There have been essential and very important improvements in access to water supply and sewerage services in Albania, and in the operating efficiency of certain Albanian water supply and sewerage utilities over the past few years. However, these improvements have proceeded at a relatively slow pace with very limited overall improvements for the country as a whole. The majority of utilities continue to be financially unsustainable, because of high water losses, poor bill collection rates, low tariff levels versus actual costs, and inefficient management practices, inadequate performance incentives, and incomplete institutional reforms.

The main issues and challenges facing the water supply and sewerage utilities sector in Albania that directly impact the quality of the services delivered to the customers can be summarized as follows:

- **Water Demand Management.** Water demand management is identified as one of the key elements to improve water supply services in Albania and increase the revenue generation for the water companies.

- **Financial Sustainability of Water Utilities and Government Subsidies.** A lack of enforcement toward non-paying customers, significant levels of non-revenue water, and a widespread occurrence of illegal connections have led to a difficult financial situation for the water utilities and a need for annual operating subsidies to the water utilities.

- **Capital Investment Needs.** Water supply and sewerage infrastructure in Albania is considerably aged, damaged, and inefficient. The sharp increase in the demand for drinking water and sewage disposal services has exacerbated the already precarious situation of the water supply and sewerage infrastructure, which is operating at its peak capacity in most cases.

- **Qualification of Technical and Managerial Staff.** The lack of well trained personnel in the utilities has led to inefficiency in overall management and technical operations. Utilities do not have a sufficiently trained and qualified senior technical and management workforce to adequately staff 56 water companies.

The Government of Albania is committed to further decentralization, commercialization and regionalization of the water supply and sewerage sector to enable a long-term sustainable self-financing for the water utilities with the objective of improving the services and fulfilling all the obligations towards the customers.

In support to the implementation of institutional reforms in the water sector, the United Nations Development Program, in full cooperation with the Water Regulatory Authority, has provided

This Report has been prepared to assist the Water Regulatory Authority of Albania to determine the level of Customer Services being provided by the water supply and sewerage companies in the country, and in so doing, to provide advice and recommendations based on the Best International Practices, to improve the Customer Services in the water utilities of Albania. The study and the recommendations will be used as a situation analysis and input for the future preparation, by the Water Regulatory Authority, of Standards and Customer Services Guidelines to be introduced in all Albanian water supply and sewerage companies. This is with the final objective of improving utility financial management, cash flow and utility viability through an improvement of customer service provision!

In its practical approach to the implementation of this Project, the Consultant was led by a philosophy of inclusion, sharing of knowledge, and building in-country capacity. In this context, the Report has been organized into three main chapters, consistent with the Technical Proposal and the Terms of Reference:

- **Functional Service Areas and International Best Practice:** Provides an overview of relevant international experience with respect to customer service of water and wastewater utilities analyzed that serves as an International Best Practice baseline for customer service based on defined customer service functional areas.

- **Current Situation Analysis:** Provides an in-depth analysis and key findings for each functional area of Customer Service, based on the Information collected from the conduct of a National Survey to all 56 water supply and sewerage utilities.

- **Gap Analysis and Final Recommendations:** Considers the Current Situation Analysis and its comparison with International Best Practice and presents Key Recommendations on future improvement of the Albanian Water Sector Customer Service provision.

Although the word “survey” is used to describe the questionnaire collection process, it must be noted that this is not a statistical survey, but a direct data/information collection process from organized water and wastewater utilities in Albania. The analysis and conclusions in this Report reflect the findings from the following 50 water supply and sewerage utilities that have completed and submitted the Customer Service Questionnaires.
### Water Supply and Sewerage Utilities that participated in the Survey

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<th>No.</th>
<th>Utility Name</th>
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#### 2.2 Description of the Report Methodology

The methodology applied in conducting the Customer Service Survey, for the purpose of defining, in a rational and definitive manner, the current state of customer service amongst water supply and sewerage utilities in Albania, combines three distinct elements, which are:

- **International Best Practice** as documented at a variety of well managed water supply and/or sewerage utilities in the developed world, applying a structured survey questionnaire format. As there is no international performance ranking of water utilities, there is no definitive way of knowing the best performers in customer service. Therefore, the Consultant considered reputation in the industry for being well-managed and – where applicable – reception of customer satisfaction awards, as the criteria for inclusion in the best practice category. The international best practice overview provides a means for comparing current practices in Albania and determining gaps, and thus potential for further improvements.

- **Current Situation Analysis in Albania** was assessed by using a parallel version of the best practice structured questionnaire format, and conducted by mail with phone follow-up where responses were incomplete or not understandable.

- **Gap-Analysis** between the current practice in Albania and the international best practice highlights the most relevant and significant differences between current best practices and current practices in Albania in order to derive a list of most crucial areas of concern and identified gaps.
These elements, and especially the “gap analysis” between International Best Practice and Albanian Current Condition, have resulted in Final Recommendations on the future improvement of the Albanian water sector customer service provision.

Additionally, the Consultant conducted on-site visits and interviews, following the same structured survey questionnaire format, at selected water supply and sewerage utilities in Albania. The basis for selecting these utilities was to focus on utilities that have received donor support, and which had an element of institutional capacity building. The purpose was to attempt to identify “Good Practices” in Albania, if only in particular aspects of customer service. The findings from these “Good Practices” from the Albanian Sector contributed to the formulation of the Sector Recommendations.

The overall methodology is illustrated by the following figure.
2.3 Stakeholders Awareness and Involvement

As presented in its proposed Technical Methodology, it was the Consultant’s intention to build consensus on the Project Approach and Methodology, and achieve a common understanding and agreement on the fundamentals of creating and implementing good customer service practices in Albania.

Throughout the course of the Project, the Consultant was guided by the Water Regulatory Authority, in its role as the ultimate beneficiary of the output of this Project. The Water Regulator is an Independent Authority, which is mandated to ensure that there is mutual fairness between the provider of water supply and sewerage services, and the customer being provided those services. The activity of the Water Regulatory Authority is based on the principles of independence, professionalism, transparency and legality, to guarantee and protect public interests, and to assure the right equilibrium between consumer’s interests, Government, public, investors and participants in the water and sanitation sector.

2.3.1 Identification and Introduction of Key Stakeholders

The Consultant, with the full direction of the Water Regulatory Authority, agreed on the list of key Stakeholders that would be contacted and involved during the project cycle. The following represents the list of Key Stakeholders:

- **General Directorate of Water Supply and Sewerage - Monitoring and Benchmarking Unit**: The General Directorate of Water Supply and Sewerage represents the only specialized Government technical institution in the water supply and sewerage sector. The General Directorate is responsible to coordinate and monitor the activities of service providers in terms of water supply and sewerage services for the entire population of the country, and defines capital and management needs in the sector, and helps to build capacity in the water sector and to help the public sector service providers to better perform their roles. The Monitoring and Benchmarking Unit (M&B Unit), established at the General Directorate, has been managing a Performance Monitoring and Benchmarking Program for its water supply and sewerage sector since 2005, and has completed five annual data cycles as of 31 December 2010. The Program includes all fifty-six (56), corporatized water supply and sewerage utilities across the country and is a permanent part of the monitoring and management strategy of the General Directorate of Water Supply and Sewerage. In addition, it is increasingly serving as a valuable tool for the Central Government, in assessing the performance improvement across the sector, as a result of its capital investment and capacity building efforts.

- **General Directorate of Policies for Water Supply, Sewerage and Solid Waste, Ministry of Public Works and Transport**: The General Directorate of Policy for Water Supply, Sewerage and Solid Waste is newly created under the Ministry of Public Works and Transports, and is responsible for the analysis, identification and drafting of water supply, sewerage, and solid waste management policies and strategies. This General Directorate is one of the key responsible institutions assigned to implement and monitor the Albanian Water Supply and Sewerage Services Sector Strategy.
• **Consumer Protection Commission, Ministry of Economy:** The Commission was recently established by the Government of Albania as a decision making body, which has the task of enforcing the provisions of the law on consumer protection. It also aims to address dispute and achieve mutual resolutions between consumers and traders through administrative procedures to avoid time consuming and costly court actions.

• **Water Supply and Sewerage Association of Albania:** The Water Supply and Sewerage Association of Albania is a professional, not-for-profit association of water supply and sewerage utilities and other professionals and individuals with an interest in the water supply and sewerage sector. It aims to improve the capacity of the people, who work to deliver water supply and sewerage services in Albania, so that they can perform their duties in a professional, reliable and cost-effective manner. Through its training programs, the Association can greatly help its member water utilities to properly understand their customer needs and to ensure consistent and reliable services.

• **Associations of Local Governments:** The associations of local governments in Albania (Association of Municipalities and Association of Communes) are established and active since 1999. The Mission of the Associations is to represent local governments on different levels and to support decentralization and democratization processes aimed at EU integration of the country. At the current time, 90% of the corporatized water utilities have been transferred to local government units (LGU), who have the legal responsibility for the provision of water supply and sanitation services in their respective service areas.

2.3.2 Actions taken to Involve Stakeholders

In the course of the Project, the Consultant approached all the key stakeholders to inform them about the scope and objectives of the Project, and on the progress of key project components.

The Consultant organized round table discussion sessions with stakeholder representatives to gain a common consensus on the Project findings, and incorporate their comments and suggestions in the final report.

• **Round Table Meeting to Discuss the Draft Survey Questionnaire:** The purpose of this meeting was to discuss the Draft Survey Questionnaire, as well as the logistics on its distribution and follow up. The Consultant guided a discussion with the participants regarding each field of the questionnaire. All comments were considered, and once agreed between the stakeholders was achieved, they were reflected in the final version of the Survey Questionnaire.

• **Conduct of Individual Meetings to Discuss the Study Methodology:** The purpose of these meetings was mainly to discuss the Project Methodology Approach developed for the purpose of defining, in a rational and definitive manner, the current state of customer service amongst water supply and sewerage utilities in Albania, and the basis for comparison with the International Best Practice Baseline.
• **Round Table Meetings to Discuss the Key Findings on Situation Analysis and Agree on the Utility Profile Standard Form:** Several meeting sessions were organized by the Water Regulatory Authority and the Consultant with the main purpose to discuss the Key Findings of the National Customer Service Survey, the methodology approach to present the information received, and the creation of the Utility Customer Service database and matrixes, which served to diagnose the main concerns and gaps for each Customer Service Functional Area. An agreement was reached by both the Regulator and the Consultant on building a Utility Profile Standard Form which was later populated with information for each utility by combining the findings from the Survey and the General Profile Information provided by the Monitoring and Benchmarking Unit.
3 Functional Customer Service Areas and International Good Practice Examples

3.1 Introduction

3.1.1 General introduction

Water is generally referred to as common good and as an essential element for life. Due to social consensus in most countries, worldwide provision of water supply and wastewater services (where applicable) is considered a public service and should be available to all, regardless of income. These services are therefore, in most cases, provided by state or municipality-owned entities. Due to the structure of the service provided, water service providers have a monopoly in their respective service area. A competition, such as exists in the energy sector, is not possible or at least mostly not taking place. The fact that public administrations have a monopoly position in the provision of services, usually leads to a lack of customer orientation, low, and a focus on the administrative processes.

However, in the past decades, the water sector has undergone some measurable changes with an increasing participation of the private sector. Wide optimism had been felt, that the private sector participation would significantly improve overall performance and infrastructure investment levels of the utilities, increase efficiency and thus reduce water prices, increase coverage and service levels, among others. This optimism has, in the meantime, subsided. Nevertheless, in the same period, many public water providers also gained an increasing level of autonomy and were faced with growing accountability of action. In many countries, there has been a tendency to shift decision making down to the relevant administrative and/or operational level – i.e. to the utility - thus giving the municipal administrations a greater policy and oversight responsibility instead of the former operational responsibility. At the same time, it has become more and more accepted, that the utility itself bears the responsibility to build customer confidence in the utility regarding the quality and reliability of services delivered and that the water charges are fair. This increasing responsibility led, in numerous cases, to a new definition of the respective company’s mission, vision and service approach. This also includes a shift in from a ratepayer mentality to the recognition that the utilities have customers and provide a service.

The service approach encompasses a wide range of aspects such as service coverage, reliability, water quality (bacteriological, taste, smell, color, etc.) which are in general strongly related to extensive infrastructure investment programs and rehabilitation measures. An integral part of the service approach, however, is a new understanding and practice of customer service and customer relations / public relations management. In this context, the Regulator can have a beneficial effect in supporting the creation of binding minimum standards for all utilities, set effective incentives for performance improvements and in furthering the aforementioned new understanding.

Customer service and customer relations / public relations management include a wide range of activities at the client – utility boundary. These include among others:
contract management and setting up new connections
meter management (provision and replacement of meters, regular meter readings)
billing and collection management
complaints management
information provision to customers and public

The objectives of good customer service can be generalized as follows:
- achieve high customer satisfaction and a positive image of the utility company
- contribute to good cash-flow and thus a financial sustainability of utility

3.1.2 International Good Practice Baseline Methodology

In order to establish this customer service best practice baseline, the Consultant conducted a series of activities as follows:

- Identification of functional areas that characterize good customer relations management and services
- Description and discussion of rationale for each aspect as part of international best practice baseline document.
- Development of a questionnaire based on the above
- Identification of well-performing utilities, contact of selected utilities, and discussion of modalities
- Distribution of questionnaire, collection of data, data analysis and presentation of results
- Finalization of best practice overview.

As a first step in the development of an international good practice, the Consultant undertook a detailed review of customer service management procedures and aspects. The objective was to determine and identify functional areas which characterize good customer relations management and services. These functional areas were considered to be the same irrespective of customer structure and geo-political reference frame. Based on an evaluation of available literature and international reviews, as well as strong communication with customer service management staff at associated water utilities, the Consultant identified a series of functional areas, which can be summarized to address the following:

- Current Customer Service Organization and Staff Qualification
- Customer Database Management
- Public/Customer Information and Communication / feedback management
- Customer Complaint Management
- Meter Reading Management
- Billing and Collection Management
- Service Interruption / Disconnections
All of these have highly significant implications on water utility operations, utility cash flow and finally utility sustainability. Therefore successful customer service is pivotal for each utility!

For each of the aforementioned areas, a number of contributing factors and more detailed aspects were identified.

Following the identification of the aforementioned functional areas characterizing good customer relations management and services, the Consultant developed a rationale of each aspect and why these are paramount to the well performance of modern water utilities. This created a better understanding within the individual utility management about the importance of each aspect and served to provide an integral part of the international best practice baseline.

Based on the functional areas identified, a questionnaire was developed for distribution to well-performing utilities on an international scale. Although the questionnaire is in its core similar to the one used for Albanian utilities, which will allow a certain degree of comparison of the findings, it is targeted to an international audience. The objective of the questionnaire that was developed was to use resources more efficiently to gather relevant information on the set-up of the customer service functions, and its procedures at selected utilities worldwide according to the aforementioned functional areas.

Fundamental for the development of an international good practice baseline is not only to identify functional areas for good performance, but also well-performing utilities putting these into practice to complete a sample group for the best practice overview. In order to identify well-performing water utilities putting the aforementioned functional areas into practice, the Consultant used a variety of tools. In order to validate these functional areas under various geographical conditions, the Consultant has strived to include utilities from several countries in Central Europe, North and Latin America, and also Asia.

As there is no international ranking of best performing utilities, the Consultant used its experience and knowledge of the international water sector, as well as its extensive network to identify potential candidate utilities based on their reputation in the sector. Further, to its own contacts and third party recommendations and contacts, the Consultant conducted detailed literature and internet searches for earlier international benchmarking activities, and information on renowned customer service activities (e.g. AwwaRF publications). The latter includes utilities having received customer service awards (e.g. Scottish Water, PUB Singapore).

Besides searching for international best practice examples, utilities in the greater Balkan region were contacted to participate in this overview. The rationale of this is to have potentially good practices not only in highly developed countries, far away, but also determine the customer service levels of utilities in transition close by in neighboring countries.

Through the above the Consultant identified up to 13 utilities ranging from Latin America (Mexico), United States, Europe (Scotland, France, Spain, Greece, Austria and Germany), the
MENA region (Morocco, Egypt) and Asia (Singapore). However, for different reasons not all utilities identified and contacted by the Consultant finally decided to participate resulting in the following final best practice participants:

<table>
<thead>
<tr>
<th>Utility</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kommunale Wasserwerke Leipzig</td>
<td>Germany</td>
</tr>
<tr>
<td>Chania</td>
<td>Greece</td>
</tr>
<tr>
<td>Aguas del Municipio de Durango</td>
<td>Mexico</td>
</tr>
<tr>
<td>Scottish Water</td>
<td>Scotland</td>
</tr>
<tr>
<td>Yarra Valley Water</td>
<td>Australia</td>
</tr>
<tr>
<td>Acosol</td>
<td>Spain</td>
</tr>
<tr>
<td>Pawtucket</td>
<td>USA</td>
</tr>
</tbody>
</table>

The questionnaires were distributed to the participating utilities and the returned information analyzed to obtain a best practice overview. All information and data displayed has been provided by the respective utility. No independent check or verification has been conducted beyond general questions for better understanding the given responses.

Tables 3-1 and 3-2 provide an overview and range of the participating Utilities and a data comparison.
<table>
<thead>
<tr>
<th>Public / Private</th>
<th>Services Provided</th>
<th>Number of connections</th>
<th>Population supplied</th>
<th>Average consumption per capita m³/a</th>
<th>Total staff</th>
<th>Total revenue in 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>KWL</td>
<td>100% Public</td>
<td>Water supply</td>
<td>82,121</td>
<td>618,000</td>
<td>32</td>
<td>543</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wastewater collection</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Wastewater treatment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rain collection system</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chania</td>
<td>100% Public</td>
<td>Water supply</td>
<td>33,700</td>
<td>59,800</td>
<td>72</td>
<td>107</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wastewater collection</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Wastewater treatment</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Rain collection system</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMD</td>
<td>100% Public</td>
<td>Water supply</td>
<td>162,107</td>
<td>582,267</td>
<td>90</td>
<td>470</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wastewater collection</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wastewater treatment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scottish Water</td>
<td>100% Public</td>
<td>Water supply</td>
<td>2,300,000&lt;sup&gt;2&lt;/sup&gt;</td>
<td>5,000,000</td>
<td>53</td>
<td>3,500</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wastewater collection</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>Wastewater treatment</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td></td>
<td></td>
<td>Rain collection system</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yarra Valley</td>
<td>100% Public</td>
<td>Water supply</td>
<td>696,500</td>
<td>1,500,000</td>
<td>55</td>
<td>500</td>
</tr>
<tr>
<td>Water</td>
<td></td>
<td>Wastewater collection</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wastewater treatment</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Recycled Water Service</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Trade Waste Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acosol</td>
<td>100% Public</td>
<td>Water supply</td>
<td>72,000</td>
<td>350,000</td>
<td>91</td>
<td>403</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wastewater collection</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wastewater treatment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Trade Waste Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sewage</td>
<td>500,000 (in summer up to 1,200,000)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pawtucket</td>
<td>100% Public</td>
<td>Water supply</td>
<td>23,360</td>
<td>100,000</td>
<td>83</td>
<td>53</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wastewater collection</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wastewater treatment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 3–1: Overview of Selected Utilities

<table>
<thead>
<tr>
<th>Inhabitants/ connection</th>
<th>Staff/ 1000 connection</th>
<th>Staff/ 1000 inhabitants</th>
<th>€/connection</th>
<th>Customer staff total staff</th>
<th>Meter coverage</th>
<th>PR expenses / total revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>KWL</td>
<td>7.53</td>
<td>6.61</td>
<td>0.88</td>
<td>1,615.31€</td>
<td>15.10%</td>
<td>100 %</td>
</tr>
<tr>
<td>Chania</td>
<td>1.77</td>
<td>3.18</td>
<td>1.79</td>
<td>267.06€</td>
<td>23.36%</td>
<td>100 %</td>
</tr>
<tr>
<td>AMD</td>
<td>3.59</td>
<td>2.90</td>
<td>0.81</td>
<td>67.62€</td>
<td>7.45%</td>
<td>70 %</td>
</tr>
<tr>
<td>Scottish Water</td>
<td>2.17</td>
<td>1.52</td>
<td>0.70</td>
<td>497.58€</td>
<td>45.71%</td>
<td>-</td>
</tr>
<tr>
<td>Yarra Valley Water</td>
<td>2.15</td>
<td>0.72</td>
<td>0.33</td>
<td>528.99€</td>
<td>34.00%</td>
<td>95 %</td>
</tr>
<tr>
<td>Acosol</td>
<td>6.94</td>
<td>5.60</td>
<td>0.81</td>
<td>625.00€</td>
<td>7.49%</td>
<td>100 %</td>
</tr>
<tr>
<td>Pawtucket</td>
<td>4.23</td>
<td>2.27</td>
<td>0.53</td>
<td>545.89€</td>
<td>11.36%</td>
<td>98 %</td>
</tr>
</tbody>
</table>

Table 3–2: Selected Utility Data for Comparison

<sup>2</sup> Scottish Water count connections double: 2,300,000 households have a water and a wastewater connection which would thus result in a total of 4,600,000 connections. For the display above the single value was chosen for better comparability to the other utilities.
3.2 Customer Service Good Practice Overview

Service is becoming more and more important in related service sectors such as telecommunications and energy. Vendors in various areas are increasing customer service activities in order to boost customer satisfaction and thus enlarge their respective market share. Among others, this service boost contributes to growing expectations and demands of customers also in the water sector. Growing expectations and demands also generally translate into perceived customer satisfaction, the overall image of the respective utility, and can significantly contribute to the utility’s cash-flow. Despite a factual monopoly, it is therefore still beneficial for water and sewerage utilities to understand the customer as stakeholders, and customer service as satisfaction management.

The following presents and briefly discusses several functional areas strongly contributing to successful customer service.

3.2.1 Customer Service Organization and Staffing

3.2.1.1 Discussion and Comparative Overview

Customer service is of paramount importance to the commercial performance of a water utility. Therefore the position of customer service, in the organizational structure of a utility, and its own organizational set-up demonstrate the understanding of the utility management in this context and significantly influences its standing within the utility compared to other departments. In an increasing number of utilities, customer service rightly is considered as a strategic element of the company, and the link between the customer and the other operational units of the utility to be of paramount importance.

In an increasing number of utilities, customer service rightly is considered as a strategic element of the company, and the link between the customer and the other operational units of the utility to be of paramount importance.

In this context, customer service is often organized as a separate organizational entity, e.g. as customer service unit or department. Such an organizational set-up places a greater focus and importance on customer service and shows relevant management support.

Mandate / Structure / Operations

Such organizational entities focused on customer service can have different mandates and thus bundle different operations. Customer service, as the link between the utility and the customer, therefore spreads into all other departments, i.e. as customer service addresses billing, but also technical and legal issues. This implies that on the one hand, relevant operations are bundled within the customer service unit, but also that customer service staff have a very broad understanding in other areas relevant to the utility. Operations typically bundled in a customer service unit / department include the following:

- Meter Reading Management
Billing and Collection
Public Relation/Communication
Customer Complaints Management
Service Disconnection and Re-connection
Customer Service Contract/New Connection
Company webpage management

The various organizational set-ups from the selected utilities are shown in the following:

**Figure 3–1: Organigram of Customer Service / Commercial Department ("division market") KWL**

**Figure 3–2: Organigram of Customer Service Department Chania**
Figure 3–3: Organigram of Customer Service / Commercial Department AMD

Figure 3–4: Organigram of Customer Service / Commercial Department Scottish Water
Figure 3–5: Organizational Chart of Yarra Valley Water

Figure 3–6: Organigram of Customer Service / Commercial Department Acosol
Staffing of Customer Services

Staffing of customer service units can vary strongly depending on the respective organizational structure and the extent of activities bundled within these units. However, due to the central position of this unit to all utility operations, customer service units usually require a considerable staffing level.

Qualifications of Staff

Staff in the customer service units usually has one of the most demanding jobs in a utility:

- Customer service staff always represents the utility.
- Customer service includes human interaction. Therefore listening and communicating with the customer, as a representative of the utility, is fundamental to the function, as well as a general attitude of cooperation.
- Customers contact customer service with a large range of issues. Therefore a high level of knowledge in a variety of areas is required. This includes knowing the company and its operations and procedures very well (structure, service area, areas of operation, technical and PR activities, general technical details, relevant legal aspects).
- Customer service staff receives customer complaints and therefore often deal with discontent customers. This requires a general knowledge of human nature and an attitude of cooperation and a problem solving mentality in order to being able to react appropriately to customers.
- Customer service staff always “reset” rapidly after one consultation to receive the next customer with his particular issue.
Therefore customer service staff (in-house and field staff) require a strong professional and personal qualification in order to represent the utility and its operations adequately.

For the utility management, this central position of customer service has a series of implications:

- Customer service tasks and their importance need to be clearly understood and communicated
- Responsibilities need to be clarified (which decisions can staff take during consultations, which not), this includes clear job descriptions for customer service staff
- Customer service staff also require regular training in associated areas in order to broaden and deepen their understanding and knowledge about utility operations.

**Outsourcing**

Often utilities decide not to conduct all customer related activities themselves and outsource these to subsidiaries or private companies. However, despite outsourcing these activities, the respective utility remains responsible for those tasks from the customer point of view. Therefore utilities must take care that their own customer service understanding is also embodies by the respective sub-contractor. Services outsourced can include:

- Meter Reading
- Meter Replacement
- Bill Printing and Distribution
- Collection /Receiving Payments
- Public Relation/Communication
- Production / Printing of PR Material
- Implementing a Service Interruption/Disconnection
- Company Webpage Management
### Table 3–3: Comparison of Customer Service Organization and Staffing

<table>
<thead>
<tr>
<th>Existence of a customer service unit</th>
<th>KWL</th>
<th>Chania</th>
<th>AMD</th>
<th>Scottish Water</th>
<th>Yarra Valley Water</th>
<th>Acosol</th>
<th>Pawtucket</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandate / operations</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Meter Reading Management</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Billng and Collection</td>
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<td></td>
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<tr>
<td>Public Relation /Communication</td>
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<td></td>
</tr>
<tr>
<td>Customer Complaints Management</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Disconnection</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Service Agreement/New Connection</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key Account Management</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Assessment of impermeable surface area for run-off charge calculation</td>
<td></td>
<td></td>
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<tr>
<td>Management (Emptying, billing &amp; collection of decentralized wastewater - septic tanks, etc.)</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Communication with land registry office, probate courts, tax register</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>level of computerization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>personal computers, server system / company network, integrated software system</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>office hours</td>
<td>Mo-Th 8:00 - 18:00 and Fr 8:00-14:00</td>
<td>Mo-Fr 9:30-14:00</td>
<td>Mo-Fr 8:00 - 19:00</td>
<td>Open 24/7</td>
<td>Mo-Fr 7:00 – 22:00</td>
<td>Mo-Fr 9:00 - 14:00</td>
<td>Mo - Fri, 7:30 to 16:00</td>
</tr>
<tr>
<td>emergency hotline</td>
<td>24/7 emergency hotline</td>
<td>24/7 emergency hotline</td>
<td>24/7 emergency hotline</td>
<td>24/7 emergency hotline</td>
<td>24/7 emergency hotline</td>
<td>24/7 emergency hotline</td>
<td>24/7 emergency hotline</td>
</tr>
<tr>
<td>Staffing of customer services</td>
<td>82</td>
<td>25</td>
<td>35</td>
<td>1,600</td>
<td>170</td>
<td>32</td>
<td>4</td>
</tr>
<tr>
<td>% customer service staff / total staff</td>
<td>15.10%</td>
<td>23.36 %</td>
<td>7.45%</td>
<td>45.71%</td>
<td>34.00 %</td>
<td>7.94%</td>
<td>11.36%</td>
</tr>
<tr>
<td>Qualification of staff (% university graduates)</td>
<td>45.12%</td>
<td>36.00 %</td>
<td>40.00%</td>
<td>N.D.</td>
<td>5.88 %</td>
<td>15.63%</td>
<td>66.67%</td>
</tr>
<tr>
<td>Customer service staff having received specific training in 2010</td>
<td>all</td>
<td>N.D.</td>
<td>all</td>
<td>all</td>
<td>all</td>
<td>selected</td>
<td>N.D.</td>
</tr>
</tbody>
</table>

1. Training of selected customer service staff has taken place e.g. regarding updated operating software, general customer care and data protection and confidentiality
All utilities above have a separate organizational unit dealing with customer related aspects. However the detailed operations carried out by the customer service unit differ. This also leads to a considerable range of percentage of the total staff being involved in customer service activities (mostly between 7.5-34%).

Similar among the utilities is also a general understanding that a high level of computerization and link between the various applications in use is of high relevance for successful utility and customer service management.

At KWL all customer related activities are bundled within not only one department but also at one central location at the utility with access for customers. This is also to show the central role of customer service to the utility. The customer reaches a front desk where immediate support is given. For further support additional meeting tables with full computer access for customer service staff are available (left picture below). Most requests (in person, by phone, by mail/email) are dealt with by 17 staff. For further technical details (connection, disconnection, calculation of contribution to building costs, etc.) further staff can join the consultation (right picture below). Customer service agents have full access to all relevant computer programs and all prior communication with the respective client.

At most utilities, there is a high percentage of university graduates (16-66%) in customer service in order to cope with the diverse and demanding activities. The range again depends on the actual services carried out by the respective customer service department. Moreover, all utilities providing information on this particular aspect indicate that all customer service staff has received additional relevant training in 2010. This includes field based as well as office based staff, albeit to a potentially different extent.

Despite having a strong focus on customer service and providing high quality services of the selected utilities many (4 out of 7, thus ~57%) have decided to outsource selected services to external service providers. According to the experience of the Consultant, this corresponds quite well to the overall sector. Which services are outsourced usually depends on local conditions, economic factors, efficiency considerations, and the management’s business strategy.

The following table shows which services are outsourced at each utility.
### Table 3–4: Comparison of Outsourced Services

<table>
<thead>
<tr>
<th>Outsourced Services</th>
<th>KWL</th>
<th>Chania</th>
<th>AMD</th>
<th>Scottish Water</th>
<th>Yarra Valley Water</th>
<th>Acosol</th>
<th>Pawtucket</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Meter Reading</td>
<td>- No outsourcing</td>
<td>- No outsourcing</td>
<td>- Meter Reading</td>
<td>- Meter Reading</td>
<td>- Meter Reading</td>
<td>- No outsourcing</td>
<td>- No outsourcing</td>
</tr>
<tr>
<td>- Meter Replacement</td>
<td></td>
<td></td>
<td>- Meter Replacement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Production / Printing of PR Material</td>
<td></td>
<td></td>
<td>- Production / Printing of PR Material</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- emptying of septic tanks</td>
<td></td>
<td></td>
<td>- Service Interruption/ Disconnection</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- printing, sending, receiving and digitization of forms in which customers report meter readings themselves</td>
<td></td>
<td></td>
<td>- Company webpage Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- printing and sending of bills</td>
<td></td>
<td></td>
<td>- Customer satisfaction surveys</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 The customer centres of Scottish Water deal with all operational contacts e.g. interruptions to supply, requests for information, etc. Any billing enquiries go to the city councils to whom billing and collection is outsourced
3.2.1.2 **Customer Service Organization and Staffing** Summary

**Separate Organizational Units for Customer Service**

The formation of a separate organizational unit dealing with customer related topics is considered a key recommendation. This will improve the interaction with the customer as well as the information flow between utility and customers.

**Mandate of Customer Service Department**

As can be seen above, the mandate of the exemplary utilities can differ. Nevertheless, they all have in common that key areas are bundled within an organizational unit. In the above, the common key areas include: Meter Reading Management, Billing and Collection, Customer Complaints/Feedback Management, Service Disconnection and Re-connection and Customer Service Contract/New Connection. Whether public relations activities include the Company webpage management are also included or conducted by a different unit in close coordination with customer service differs. A key recommendation, therefore is that the integration of the aforementioned key areas be discussed and considered for customer service units.

**Staffing Level**

Due to the central position of this unit to all utility operations, customer service units should have a considerable staffing level in order to provide a proactive service in the above mentioned key areas.

**Staffing Qualifications**

Due to the prime importance of customer service its staff requires adequate professional qualification. This should also be made clear in the respective job descriptions. The various activities within customer service will require different educational backgrounds. Nevertheless all have in common that there usually is a considerable level of high school and university graduates and that all staff – irrespective of vocational training – regularly receives additional training in their particular field of activity.

Therefore key recommendations include the development of appropriate job descriptions and the definition of the required professional background / qualification. Furthermore, each staff should receive regular, continuing training in his/her field. Such additional training should be institutionalized by conducting training needs assessments, offering relevant in-house / external training sessions, and keeping track of needs as well as trainings received. In some utilities, this is done through a dedicated training officer within the human resources department.

**Outsourcing**

Not all customer-related issues need to be performed by the utility itself. Often it is more economical to outsource specific services to third parties for a specific period of time, before re-tendering. Such activities most often include: meter reading, meter replacement, and the layout / printing of PR materials. However, individual utilities may find – depending on their structural set-up and staffing levels – other / additional activities worth outsourcing or that outsourcing does not provide additional advantages. Therefore a recommendation is to investigate potentials for outsourcing as well as the respective advantages and disadvantages. However, despite outsourcing these activities, the respective utility remains responsible for those tasks from the
customer point of view. Therefore utilities must take care that their own customer service understanding is also embodied by the respective sub-contractor.

### 3.2.2 Customer Database Management

#### 3.2.2.1 Discussion and Comparative Overview

“Knowledge is key”. This statement is also true for water utilities and their management of customer information. Having accurate and full information about customers, in a database management system, is fundamental for the main commercial processes and thus for the cash-flow, and in the end the financial sustainability of a utility.

Moreover the access to all customer-related information and communication facilitates, improves the response time during communications with customers. Therefore it is beneficial for customer service staff to have easy and (almost) instantaneous access to all relevant information. This implies a link and access to all relevant software applications, but also a customer database containing all relevant details on a particular customer and its connection(s). These may include:

- Customer Identification Number (ID)
- Customer Address
- Address of Connection
- Customer Category (household, private entity, budget institution, industry)
- Customer Contact Details (i.e. Email/Tel/Cell-phone)
- Customer Bank Account.Payment Information
- Water Meter Identification Code/Number
- Water Meter History (all past water meters)
- Meter Reading Records
- Number of Household Members
- Map with Building and Meter Location (e.g. from GIS/CAD system)
- Records of Direct Communications with Customer (phone calls, complaints, etc)
- Customer Contract in Electronic Form

Table 3–5 compares the customer data management at the selected best-practice utilities. It underlines that electronic data management is increasingly considered as essential for modern customer service management in water utilities. This particularly relates to customer data. Which specific data is kept in the customer file, however usually depends on specifics at the utility level, such as the following:

- If a utility offers direct debit as a payment option, the customers’ bank account information is kept on file, otherwise it is not.
- The number of household members is often kept on file at utilities that use some percentage of flat rate pricing, where the flat rate is calculated per capita.
## National Study on the Customer Services of Water Utilities in Albania

### Table 3–5: Customer Database Management in Comparison

<table>
<thead>
<tr>
<th>KWL</th>
<th>Chania</th>
<th>AMD</th>
<th>Scottish Water</th>
<th>Yarra Valley Water</th>
<th>Acosol</th>
<th>Pawtucket</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer data management</strong></td>
<td><strong>Information kept in customer file</strong></td>
<td>Is customer contract required for provision of services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Billing and Collection Software</td>
<td>- Customer Identification Number (ID)</td>
<td>- Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Specific software application for management of customer data</td>
<td>- Customer Address</td>
<td>- Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- GIS system</td>
<td>- Address of connection</td>
<td>- Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Customer Category (hh, private entity, budget institution, industry)</td>
<td>- Customer Category (hh, private entity, budget institution, industry)</td>
<td>- Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Customer Contact Details (i.e. Email/Tel/Cell-phone)</td>
<td>- Water Meter Identification Code/Number</td>
<td>- No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Customer Bank Account Information</td>
<td>- Water Meter History (all past water meters)</td>
<td>- (No)**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Water Meter Identification Code/Number</td>
<td>- Meter Reading Records</td>
<td>- Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Water Meter History (all past water meters)</td>
<td>- Number of Household members</td>
<td>- No contract but legal status*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Meter Reading Records</td>
<td>- Records of direct communications with customer (phone calls, complaints, etc)</td>
<td>- No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Map with building and meter location (e.g. from GIS/CAD system)</td>
<td>- Records of direct communications with customer (phone calls, complaints, etc)</td>
<td>- No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Records of direct communications with customer (phone calls, complaints, etc)</td>
<td>- Map with building and meter location (e.g. from GIS/CAD system)</td>
<td>- No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Records of direct communications with customer (phone calls, complaints, etc)</td>
<td>- Records of direct communications with customer (phone calls, complaints, etc)</td>
<td>- No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*In the Pawtucket Service Area there is a legal connection between home ownership and water service. No home can be occupied without an active water service. When a home is bought and sold, the water service is automatically transferred to the new owner.*  

**Yarra Valley Water provides each new customer a copy of our Residential Customer Charter. (Implied contract), It sets out the customer’s basic rights and obligations when dealing with Yarra Valley Water. The Charter also sets out Yarra Valley Water’s rights and obligations. There is a section in the charter that informs the customer of the potential for restriction of supply for non-payment.**
3.2.2.2 Customer Database Management Summary

Level of Computerization

Customers are most satisfied when inquiries are resolved quickly. For this purpose, it is necessary that customer service representatives have full access to all relevant company and customer data. This then implies a high level of computerization and a link between relevant software in order to give customer service representatives immediate and full access to this information. This set-up also includes an internal network.

A key recommendation therefore is to develop an electronic data management strategy. Not all organizational units in a utility have the same need for computerization, not all software applications need to be linked, and an internal network can be extended gradually. The final objective, however, should be to have an integrated tool for customer service representatives providing them, at all times, with all relevant utility and customer information.

Customer Database Management

Utilities require different sets of information about their customers depending on the individual particularities. Nevertheless there is a common need of core data at all utilities. The main recommendation regarding customer databases is to analyze which information a utility needs of its customers and the respective connections and to adapt / develop a customer database on the grounds of such comprehensive database.

Depending on the level of computerization, a customer dataset may also include electronic copies of customer contract(s), of all prior communication with the customer, of all previous complaints of the customer etc. The final objective again however should be to have all relevant utility and customer information at hand at all times.

Service Contracts

In order to place the provision of services on secure ground and also provide leverage for disconnections in case of non-payment of bills, it is recommended to introduce and sign service contracts between the utility and each customer.

3.2.3 Public Information and Communication / Customer Feedback Management

3.2.3.1 Discussion and Comparative Overview

Modern customers are demanding. In the understanding of today's customers, in general, service providers have an obligation to inform them about services. For water utilities, this means to provide information to its customers (usually all inhabitants in their area of service) about their services, i.e. water treatment, water supply/distribution, wastewater collection, wastewater treatment, etc. and about any additional activities to the benefit of society (e.g. educational programs, sponsoring, etc.). This is, among others, in order to explain what the utility is actually doing, describing the efforts undertaken and the challenges faced in providing safe drinking water 24 hours per day/7 days per week, collection/treating wastewater in an environmentally safe way. Well-informed customers tend to be more satisfied with the services provided.

This is also confirmed in the AwwaRF publication on customer attitudes finding that the two variables significantly influencing customer satisfaction were:
How often the respondent had concerns about the safety of his/her drinking water during the past 2 years, and
How informed the respondent was about water quality issues

Public relations and information activities thus contribute to establishing a positive image of a utility and thus can thereby even positively influence the willingness and promptness to pay. Such activities can include, among others:

- Bill Inserts, e.g. on specific activities (open days, visitor tours, etc.)
- Company Leaflets, e.g. on specific activities or further technical details on specific facilities described in an easily understandable way (e.g. treatment mechanisms at a certain plant, pump station, distribution network, etc.)
- Public awareness campaign (e.g. meter installation launch, service interruptions due to construction, tariff increase preparation campaign, etc)
- Billboards/ City lights/Poster Displays about specific activities, campaign contents or simply to increase presence of utility in public perception
- Press articles/release/conference
- Periodic Company Magazine Newsletter
- World Water Day Activities
- Children Water Education Program
- Visitor Tours at Company Premises
- Give-aways with company logo
- etc

However, a utility should not only provide information but establish means for bi-directional communication, and thus also provide means of communication for customers contacting the utility and giving feedback (see also chapter 2.4 customer complaints management). These usually include:

- Customer Centre/Information Desk
- Dedicated Telephone Line for Customer Service
- Internet/Webpage
- Email Contact Form
- Call Center

Past experience of the Consultant shows that usually only a fraction of discontent customers voice their dissatisfaction. Therefore, it can be beneficial and even relevant for utilities to conduct specific surveys on a regular basis aiming at determining the level of satisfaction of customers with the utility’s services. Such surveys can moreover address a series of other aspects of interest to the utility and therefore provide a more directed way of obtaining valuable information from the customer, especially those that don’t call the utility themselves.
<table>
<thead>
<tr>
<th>KWL/Customer Information</th>
<th>Chania/Customer Information</th>
<th>AMD/Customer Information</th>
<th>Scottish Water/Customer Information</th>
<th>Yarra Valley Water/Customer Information</th>
<th>Acosol/Customer Information</th>
<th>Pawtucket/Customer Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office/Desk</td>
<td>Office/Desk</td>
<td>Call centre</td>
<td>Call centre</td>
<td>Call centre</td>
<td>Call centre</td>
<td>Call centre</td>
</tr>
<tr>
<td>Dedicated Telephone Line</td>
<td>Dedicated Telephone Line</td>
<td>Internet/webpage</td>
<td>Internet/webpage</td>
<td>Internet/webpage</td>
<td>Internet/webpage</td>
<td>Internet/webpage</td>
</tr>
<tr>
<td>Email Contact Form</td>
<td>Email Contact Form</td>
<td></td>
<td>Email Contact Form</td>
<td>Email Contact Form</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bill Inserts</td>
<td>Company Leaflets</td>
<td>Company Leaflets</td>
<td>Bill Inserts</td>
<td>Company Leaflets</td>
<td>Bill Inserts</td>
</tr>
<tr>
<td></td>
<td>Press articles/</td>
<td>Public awareness campaign</td>
<td>Public awareness campaign</td>
<td>Press articles/</td>
<td>Public awareness campaign</td>
<td>Public awareness campaign</td>
</tr>
<tr>
<td></td>
<td>release/confrence</td>
<td>(i.e. meter installation launch, service interruptions due to construction, etc)</td>
<td>(i.e. meter installation launch, service interruptions due to construction, etc)</td>
<td>release/confrence</td>
<td>(i.e. meter installation launch, service interruptions due to construction, etc)</td>
<td>(i.e. meter installation launch, service interruptions due to construction, etc)</td>
</tr>
<tr>
<td></td>
<td>World Water Day Activities</td>
<td>Children Water Education Program</td>
<td>Children Water Education Program</td>
<td>World Water Day Activities</td>
<td>Children Water Education Program</td>
<td>Children Water Education Program</td>
</tr>
<tr>
<td></td>
<td>Children Water Education Program</td>
<td>Press articles/</td>
<td>Press articles/</td>
<td>Press articles/</td>
<td>Press articles/</td>
<td>Press articles/</td>
</tr>
<tr>
<td></td>
<td>Enquiry counter</td>
<td>release/confrence</td>
<td>release/confrence</td>
<td>release/confrence</td>
<td>release/confrence</td>
<td>release/confrence</td>
</tr>
<tr>
<td></td>
<td>E-mails, letters</td>
<td>Telephone calls</td>
<td>Telephone calls</td>
<td>E-mails, letters</td>
<td>Telephone calls</td>
<td>E-mails, letters</td>
</tr>
<tr>
<td></td>
<td>Telephone calls</td>
<td>Enquiry counter</td>
<td>Drop box at customer centre</td>
<td>Drop box at customer centre</td>
<td>Customer surveys,</td>
<td>Telephone calls</td>
</tr>
<tr>
<td></td>
<td>Drop box at customer</td>
<td></td>
<td>Customer surveys,</td>
<td>Customer surveys,</td>
<td>questionnaires</td>
<td>Enquiry counter</td>
</tr>
<tr>
<td></td>
<td>centre</td>
<td></td>
<td>questionnaires</td>
<td>questionnaires</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Means to assess views/perceptions/feedback of customers?</td>
<td>0.83 €</td>
<td>0.17 €</td>
<td>0.11 €</td>
<td>No data</td>
<td>23.00 €</td>
<td>0.88 €</td>
</tr>
<tr>
<td>PR expenses/inhabitant</td>
<td>0.83 €</td>
<td>0.17 €</td>
<td>0.11 €</td>
<td>No data</td>
<td>23.00 €</td>
<td>0.88 €</td>
</tr>
<tr>
<td>PR expenses/connection</td>
<td>6.26 €</td>
<td>0.30 €</td>
<td>0.40 €</td>
<td>No data</td>
<td>1.90 €</td>
<td>9.26 €</td>
</tr>
<tr>
<td>Does utility routinely monitor and analyze the customer satisfaction?</td>
<td>Yes, each month for the previous month (reduced random sample). Data analyzed 1x/year</td>
<td>No</td>
<td>Yes, 2x/year</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Does utility officially inform customers on planned service interruptions?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Table 3–6: Public Information and Communication / Feedback Management
What can be seen in the table above is that all utilities place a considerable focus on providing means such that the customer can contact them (feedback). These means include walk-in desks/offices as well as phone lines / call centers, internet-based tools and e-mail addresses.

Even more apparent is the large range of activities performed to make information available about the utility and its operations to customers and the public. These PR activities can represent an important budget position / cost factor. However, despite these costs, these activities have been recognized as important communication tools and as a contribution to sustainable and successful utility management.

**KWL Information on service interruptions:**

In case of acute service interruptions the customer field service immediately posts notices in the affected area. In case of service interruptions due to construction a notice about the interruption is posted at each front door such that customers can plan water consumption accordingly.

### 3.2.3.2 Public Information and Communication / Feedback Management Summary

**Public Information / PR**

Due to a link between the level of information of customers and customer satisfaction, and the impact of customer satisfaction and willingness and promptness to pay, especially in developing countries, the Consultant recommends that utilities conduct proactive information and PR activities. A list of examples, which also include low-cost activities and should not be considered conclusive, are given in Table 3 - 6.

**Customer Feedback Management**

Customer feedback (customer voice) on the quality of services is of high relevance to detect weaknesses in the utility’s service (see also 3.2.4 Customer Complaints Management). Therefore it is recommended that utilities establish sufficient means such that customers can communicate and provide feedback on services received. Further details are given in Section 3.2.4.

### 3.2.4 Customer Complaints Management

#### 3.2.4.1 Discussion and Comparative Overview

Customer complaints management describes how a utility reacts to complaints/negative feedback and how these are dealt with internally. Water utilities have a monopoly in their service area. In contrast to retailers or other service providers, it may seem that there is no obvious need for excellent customer service: customers have no alternative. Nevertheless, customer service and especially customer complaints/feedback management should be seen as an opportunity for the long-term improvement of services and customer satisfaction: Complaints offer information about potential weaknesses in the utility service provision (and/or its reception) free of charge, whereas extensive surveys – targeting the same information – can consume large amounts of human and financial resources. Therefore, customer complaints
management should not be considered as an annoyance, but as an important contribution to the long-term improvement of services and customer satisfaction. In this context there are 3 approaches to customer complaints management:

1) avoid complaints  
2) stimulate/encourage complaints  
3) use complaints

Avoiding complaints should only be understood as improving services such that there is less reason for complaints. Avoiding complaints simply by neglecting them or responding inadequately will not only harm the utility, as existing weaknesses will further persist. Also, the public opinion about the utility can suffer greatly. This can then influence willingness to pay/payment morale.

Stimulating/encouraging complaints however demonstrates an openness to criticism, as well as a willingness to confront weaknesses and to make improvements. If used wisely, this can contribute to a long-term improvement of services and thus also to an increase in customer satisfaction.

Therefore an appropriate analysis and use of complaints can bear great benefit for utilities in performance control and improvement. This suggests that the use of a customer complaints indicator should be considered in a broader context, including the overall customer service management and its approach regarding “complaints”. This means that many complaints can also occur with a utility-driven encouragement for feedback on where to further improve services.

The adequate response to complaints will require clear and transparent internal procedures on how to handle complaints. This will facilitate the work of customer service staff and also provide a greater level of trust in the utility’s decisions.

Putting the aforementioned into practice, however, remains a challenge. Especially for staff, dealing with complaints is a demanding and testing job in the following ways:

1) In general, they deal with displeased, upset or even angry customers, which do not necessarily act matter-of-factly.  
2) They are mostly confronted with negative issues.  
3) They usually face a large variety of backgrounds and reasons for complaints within a short period of time and need to react/change their approach depending on each customer and reason for the complaint.  
4) Through the multitude of complaints, they may obtain a partly negative impression of their own company.

This overview provides an initial understanding of the importance of pro-active customer complaints management and the support, training and encouragement of related staff.

The following table will compare some aspects of customer complaints management at the selected best performing utilities.
### Table 3–7: Complaints Management in Comparison

<table>
<thead>
<tr>
<th>Complaints per utility specific categories</th>
<th>KWL</th>
<th>Chania</th>
<th>AMD</th>
<th>Scottish Water</th>
<th>Yarra Valley Water</th>
<th>Acosol</th>
<th>Pawtucket</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>Yes</td>
<td>No data</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Invoice / bill</td>
<td>117</td>
<td></td>
<td>96</td>
<td>154</td>
<td>301</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Customer service</td>
<td>96</td>
<td></td>
<td>96</td>
<td>154</td>
<td>301</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Constructions</td>
<td>20</td>
<td></td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Water Supply</td>
<td>30</td>
<td></td>
<td>30</td>
<td>900</td>
<td>900</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Wastewater Collection and Treatment</td>
<td>7</td>
<td></td>
<td>7</td>
<td>38</td>
<td>38</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>Tariffs</td>
<td>167</td>
<td></td>
<td>167</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>House connections</td>
<td>57</td>
<td></td>
<td>57</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Supply</td>
<td>900</td>
<td></td>
<td>900</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tariffs</td>
<td>38</td>
<td></td>
<td>38</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No data</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No data2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. refer to the box “KWL complaints management” overleaf

2. No detailed data could be obtained in time. However, Scottish Water has a total of 15 categories which include causes such as water quality, flooding, interruption to supply, claims, poor customer service, damage to property, etc.
As previously mentioned, customer complaints management can be an important tool in performance monitoring, control and improvement. Therefore, all of the best practice utilities have standard procedures on handling complaints management. Details differ, yet there is a general consensus in providing several means for submitting complaints and the intention of addressing and even solving complaints immediately, if possible. Further details on the individual complaints management procedures are presented in the text below.

The number of complaints varies strongly between the utilities. However, all strive to address and resolve issues brought forward. In order to do this more successfully and thus to fully exploit complaints for inciting specific improvements, it can be beneficial to categorize complaints. Not all utilities already do this currently.

### AMD complaints management

AMD has a drop box where customers can turn in their complaints. Customers are also received in person at the front desk where customer officers intend to find a solution immediately. In case an issue cannot be resolved there customers are referred to the legal staff and to the director.

### KWL complaints management

For complaints management two different procedural paths are being followed:

General complaints are received by the customer service agents. For complaints voiced by phone or in person a resolution is attempted immediately. For this purpose and in case of disagreements on bills agents have the authority to reach compromises up to a certain value in case they feel that this is necessary. Complaints received by Email or through the homepage contact form are replied by the customer agents - by phone if possible, else by email - within 7 days in order to reach a solution. Approx. 56% of the complaints follow this category.

Complaints at a high escalation level are received by a specialized complaints manager and mediator. Follow-up of these complaints is in general by phone to reach a solution as soon as possible. Due to the escalation level the rate of solving situation is ~50%. (E.g. some customers will still after explanation of the tariff system simply not want to pay that price or not accept the fact that a there is a basic charge in addition to a volumetric charge). So far only these complaints have been categorized. Starting 2011 also the general complaints will be categorized.

### Scottish Water complaints management

The complaints process of Scottish water has two steps

**Step 1**

Customers dissatisfied with the way services has been provided or with the services provided are encouraged to call the Customer Helpline and to provide details of the complaint. Customer agents will then begin addressing the customer’s concerns and aim at solving the issue there and then. Calls may be recorded for quality or training purposes. In case the issue cannot be addressed immediately, customer agents will ring back. Alternatively, customers may fill out the feedback form and or write or send an email.

**Step 2**

In the event that a complaint is not resolved to the customer’s satisfaction he/she can further contact the Scottish Water Complaints Management Unit by Email or mail. Customers will then receive a written response within 5 days.

If customers remain dissatisfied with Scottish water’s response these may be referred to Waterwatch Scotland.
Yarra Valley Water Complaints Management Process

Complaints Handling and Root Cause Analysis Process

- Customer calls/writes to Customer Contact Centre
- Complaint is escalated to a Customer Contact Centre Customer Relation Specialist
- Customer Relation Specialist investigates and determines a solution to the complaint
- Complaint resolved to customer satisfaction?
  - Yes: Record details of complaint and resolution
  - No: Customer complains to Ombudsman?
    - Yes: Ombudsman refers case to YVW
    - No: Root cause analysis undertaken by Complaint Team Leader to identify process improvements

Monthly meeting chaired by GM Billing and Contact Services, attended by Divisional Managers and process owners to further identify root cause and/or opportunities for process improvement.
3.2.4.2 Customer Complaints Management Summary

Means for Submitting Complaints
Customers have different ways and preferences of communicating. This is especially true in a modern world with rapidly changing communication patterns. Therefore, it is recommended that a utility should offer various means of communicating with it and for submitting complaints/receiving feedback.

Complaints Categorization, Statistical Assessment and Evaluation
Despite having a negative connotation, complaints can be positive for the long-term improvement and change process of utilities. This however requires that complaints are adequately categorized and assessed statistically. Through such an evaluation process, weaknesses and key areas for improvement can be determined without having to conduct costly surveys or as complementing tool. Therefore, it is recommended to develop and establish a complaints management procedure not only involving submission means and response pathways, but also a detailed categorization, assessment and evaluation procedure.

3.2.5 Meter Reading Management

3.2.5.1 Discussion and Comparative Overview
In many countries, it still is common practice to have flat rates for water and wastewater services (if any), instead of metered water consumption. Usually, flat-rate pricing results in higher water use as there is no incentive for keeping water consumption at an indispensable amount. As soon as the flat rate is paid, customers can use as much water as they want, which often leads to wasteful water use practices such as failure to replace dripping faucets or toilets or using treated potable water to clean the sidewalk or driveway.

Therefore, installation of water meters can help reduce the water consumption by making the information available to the customer, and thus raising awareness about how much water is actually consumed. Moreover, metered consumption together with volumetric tariffs tends to lead to reduced consumption as customers try to reduce costs. This can be specifically beneficial in arid regions or regions facing (seasonal) water shortages.

Water meters also provide information about how much of the produced water actually reaches the customers. Installation of consumer meters and bulk water meters at specific point in the network thus supply valuable knowledge about the technical conditions of the network and potential leaks.

Therefore, the installation of (customer and bulk) water meters has a significant impact on the commercial performance of water utilities. Full meter coverage at the consumer end (and strategic installation of bulk water meters) should therefore be achieved.

Recording meter readings is a crucial aspect in making actual use of water meters. The frequency (monthly, bi-monthly, quarterly, annually) as well as the mode of reading (fixed/alternating meter reader routes, automated/remote meter reading, self-reporting of meter readings by consumers) all have different implications on the cash-flow of the respective utility, as well as the human and financial resources necessary to obtain the information.
As meter readings have direct consequences to the customer in the form of bills, the reliability of meter readings is crucial. Therefore, meters need to be replaced and calibrated on a regular basis. How often is usually defined by a national standard.
<table>
<thead>
<tr>
<th></th>
<th>KWL</th>
<th>Chania</th>
<th>AMD</th>
<th>Scottish Water</th>
<th>Yarra Valley Water</th>
<th>Acosol</th>
<th>Pawtucket</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Meter coverage</strong></td>
<td>100 %</td>
<td>100 %</td>
<td>70 %</td>
<td>effectively nil</td>
<td>95 %</td>
<td>100 %</td>
<td>98 %</td>
</tr>
<tr>
<td><strong>Frequency of meter reading</strong></td>
<td>Annually</td>
<td>Quarterly</td>
<td>Monthly</td>
<td>Not applicable</td>
<td>Quarterly</td>
<td>Monthly</td>
<td>BL-monthly Quarterly</td>
</tr>
<tr>
<td><strong>Meter readers check for damages / tampering</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Not applicable</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Meter replacement/calibration</strong></td>
<td>every 6 years</td>
<td>every 12 years</td>
<td>every 4 years</td>
<td>Not applicable</td>
<td>every 10 years</td>
<td>every 8 years</td>
<td>every 15 years</td>
</tr>
</tbody>
</table>

Table 3–8: Meter Reading Management in Comparison

1 Households are billed on an unmeasured basis based on the council tax band for households. Households have an option to get a metered supply but there is virtually no demand for this.
2 Charges are flat rates on a per household basis, based on the council tax band of the house. A breakdown of these charges is available on the charges section of the website www.scottishwater.co.uk
3 The remaining 2% in Pawtucket are service lines for commercial buildings. All other connections (domestic, institutional and commercial) are metered.
4 All meters are AMR / remote readers and are read by drive by. This process takes about 8 hours. One of the two meter technicians performs this task.
5 Meter reading frequency depends on supply area and agreements with the individual shareholder Municipalities: Monthly reading customer Alta. Reading bimonthly/quarterly in Baja (domestic) and by agreement with municipalities.
Scottish Water bills their customers on a flat rate basis. Only business premises are metered. Of these ~5% are replaced per annum. All other selected utilities have a high rate or even full meter coverage.

In Sections 2.1 and 2.2 reference was made on the importance of data quality. In this context, the tendency also in meter reading management is clear towards electronic data entry and transmission pathways in order to reduce manually based errors and typos. Paper documents are only used, to a limited extent, if they are used at all. More and more common are electronic hand-held devices into which meter readings are typed or even remote reading devices, where readers don’t need to enter the customers’ premises, but read the meter by passing by the customer’s premises.

For efficiency purposes, KWL has opted for additional solution: domestic customer meters are read in person only once every 3 years. The 2 years in between the customers are notified and requested to report the meter reading electronically (homepage web-based form) or by filling out a self-reporting postcard.

The selection above shows that well-performing utilities cover a range of meter reading frequencies: monthly, quarterly, annually. The individual frequency still allow for sufficient cash-flow as billing still occurs on a monthly or bi-monthly basis (see Section 2.6).

The table above also shows that the legal framework regarding meter replacement and calibration differs resulting in calibration/replacement cycles of every 4-15 years.

3.2.5.2 Meter Management Summary

Meter Coverage

Water meters provide significant information to the utilities and customers: how much water actually reaches the customers and how much water is consumed by an individual customer. Moreover, it can contribute to reducing water wastage which can prove relevant especially in arid regions. Therefore the installation of (customer and bulk) water meters has a significant impact
on the commercial performance of water utilities. Full meter coverage at the consumer end (and strategic installation of bulk water meters) should therefore be achieved.

**Meter Reading**

Meter reading frequencies vary greatly from monthly, bi-monthly, quarterly to annually. There are no clear recommendations about an optimal meter reading frequency, it is rather the billing frequency (see below) or the frequency of interim payments which is relevant for the utilities’ cash flow. Also with low meter reading frequencies (e.g. annual readings) utilities can maintain cash flow by invoicing interim payments based on past consumption averages.

As also discussed in Section 3.2.2 data management is in the best practice examples mainly conducted electronically in order to avoid typographical and other human-induced errors. Therefore hand-held devices such as PDAs are recommended.

In order to facilitate meter readings more – especially those that are chronically inaccessible – or in order to increase efficiency when meter reading cycles are short (e.g. monthly readings) automated meter readings can be an option. Some of the best practice examples above have introduced these, some are testing them on a pilot basis, others see no need. Therefore it is recommended to assess the costs and associated benefits of this state-of-the art technology for each individual utility.

**3.2.6 Billing and Collection Management**

**3.2.6.1 Discussion and Comparative Overview**

The relevance of adequate billing and collection management for the utility is obvious as it is the means to generate income from the services provided. However, the individual mechanisms and procedures for billing and collection vary greatly between different utilities. These include:

- Meter reading cycle (if any) and who reads the meters
- Billing cycle and how bills are distributed to the customer
- Payment cycle
- Payment means
- Set-up of bills and the information shown on bills
- How records on past payments and old arrears are kept
- Late- and non-payment procedures, e.g. reminders/dunning letter,
- Policy regarding disconnections and/or law-suits

In most cases, obtaining information on consumption is a crucial step prior to the actual billing process. Therefore, the meter reading cycle is typically closely connected, if not the same, as the billing cycle. Typically, utility staff (meter readers) or a private contractor read the meters in a pre-defined frequency. This meter reading cycle varies usually between monthly, bi-monthly, quarterly and annually. However, in some cases, utilities read meters with a lower frequency and in the meantime request customers to report meter readings themselves. The billing cycle is as aforementioned often in parallel with the meter reading cycle and varies usually between monthly, bi-monthly, quarterly and annually. This frequency by and large also applies to utilities which only bill based on flat rates.
In order to secure cash flow of the utility utilities with annual billing cycles, often collect monthly, bi-monthly or quarterly interim payments based on average past consumption. In addition to securing cash flow for the utility, it also reduces the individual payments for the customer.

Bills are most commonly distributed either by mail or delivered in person by the meter readers.

Payment means can include a large range of options: directly paying the meter reader, paying at the post office, at the bank, at the customer centre/front desk, bank transfer (at the bank or through online-banking), direct debit, and in some cases also by deduction from payroll. From the utility perspective, the payment should be easy for the customer, bear little cost or risk, and represent low effort for the utility. Therefore, in many developed countries, utilities tend to prefer bank transfer and direct debit.

There also exist an alternative, which is often disapproved in developing countries: pre-payment systems. These are not very common, yet offer obvious advantages from a utility point of view. In developed countries, there are not many examples. Where pre-payment systems are used, they are often associated with customers that have a long non-payment or late-payment history. In order to ensure that the arrears history does to increase too much, pre-payment systems are installed in agreement with the respective customer.

Transparent bills contribute to a prompt payment. Therefore most well-performing utilities have clearly structured bills and additionally a section on the bill describing the displayed information. In case bills are not paid in a pre-defined period (late-payments) usually notifications/dunning letters are sent to the respective customer. The number of reminders varies between utilities, mostly 2-3 reminders. These often explain a potential disconnection and ensuing legal action in case of continued non-payment.
<table>
<thead>
<tr>
<th></th>
<th>KWL</th>
<th>Chania</th>
<th>AMD</th>
<th>Scottish Water</th>
<th>Yarra Valley Water</th>
<th>Acosol</th>
<th>Pawtucket</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Billing cycle</strong></td>
<td>Bi-monthly</td>
<td>Quarterly</td>
<td>Monthly</td>
<td>Annually (flat rate) together with council tax</td>
<td>Quarterly</td>
<td>Bi-monthly</td>
<td>Monthly</td>
</tr>
<tr>
<td><strong>Meter reading cycle</strong></td>
<td>Annually</td>
<td>Quarterly</td>
<td>Monthly</td>
<td>Not applicable</td>
<td>Quarterly</td>
<td>Bi-monthly</td>
<td>Monthly</td>
</tr>
<tr>
<td><strong>Distribution of bills</strong></td>
<td>Postal service</td>
<td>Postal service</td>
<td>Meter reader</td>
<td>Postal service</td>
<td>Postal service</td>
<td>Postal service</td>
<td>Postal service</td>
</tr>
<tr>
<td><strong>Payment options offered / accepted</strong></td>
<td>Customer service center</td>
<td>Cashier offices</td>
<td>Cashier offices</td>
<td>Cashier offices</td>
<td>Cashier offices</td>
<td>Post office</td>
<td>Direct Debit by Bank</td>
</tr>
<tr>
<td></td>
<td>- Payment by Bank Transfer</td>
<td>- Payment by Bank Transfer</td>
<td>- Payment by Bank Transfer</td>
<td>- Payment by Bank Transfer</td>
<td>- Payment by Bank Transfer</td>
<td>- Direct Debit by Bank</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Direct Debit by Bank</td>
<td>- in special stores</td>
<td>- with council tax</td>
<td>- Post office</td>
<td>- Post office</td>
<td>- telephone</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Pre-paid meters</td>
<td></td>
<td></td>
<td>- Payment by Bank Transfer</td>
<td>- Payment by Bank Transfer</td>
<td>- locked box</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Direct Debit by Bank</td>
<td>- Direct Debit by Bank</td>
<td>(cheques)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- social aid deductions</td>
<td></td>
<td>- social aid</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- deductions</td>
<td></td>
<td>- deduction</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- credit card</td>
<td></td>
<td>- card</td>
<td></td>
</tr>
<tr>
<td><strong>Review of consumption for irregularities</strong></td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Software used for billing</strong></td>
<td>IS-U (SAP module)</td>
<td>TRITON 3.6 by SOFTWORKS S.A.</td>
<td>Own development</td>
<td>No data</td>
<td>Oracle Customer Care &amp; Billing System</td>
<td>Own development</td>
<td>Sungard H T E</td>
</tr>
<tr>
<td><strong>Notification of customers on changes on Tariff and Price Schedule</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Not applicable</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Display of current Tariff and Price Schedule at Customer Payment / Information Locations?</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No data</td>
<td>Yes</td>
<td>No data</td>
<td>No data</td>
</tr>
<tr>
<td><strong>Are notifications on Past Due Payments sent to the customers?</strong></td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>No data</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 3–9: Comparison of Billing and Collection Management Practices
Although the meter reading cycle differs among the utilities (with monthly, quarterly and annual reading cycles) the billing cycle usually is monthly or bi-monthly. The only exception is Scottish Water, where flat rates are charged. Distribution of bills then occurs generally either by mail or through the meter reader when monthly readings are done.

**KWL Billing and Collection**

Bills are distributed every 2 months. These are based on the average past consumption as meter reading generally occur every 3 years with yearly self-reporting of meter readings on an annual basis. Customers with economic difficulties can receive pre-paid meters allowing the withdrawal of only a pre-paid amount of water in order to avoid consumption surpassing the respective ability to pay. These meters are implemented in agreement with the customer and especially in cases where a long history of non-payment exists. Current Tariff and Price Schedules are sent to each new customer with the contract and to each customer in case of tariff increases.

In general terms payment options include cash payment at the utility (at a cashier office, the customer service center), in some cases also at third parties (special stores or the post office), and electronic payment through the bank (transfer or direct debit). Insecure and shady cash payments to meter readers or “money collectors” do not occur. However, additional payment tools are offered by some utilities such as pre-payment meters (charged up-front at customer center) or payment through the tax office with the council tax.

Surprisingly, only 4 utilities (~57%) conduct a sanity check of meter readings and consumption for apparent irregularities. This could be a tool to detect meter tampering, illegal connections or other consumption irregularities.

Software, even in well-performing utilities, covers the range from self-developed and customized solutions over small regional product up to SAP modules. This indicates that it is not the software itself that is the crucial factor, but rather the customization and adaptation of the individual software to the specific needs of the utility as well as the inter-linkage with other software in use at the respective utility.

Almost all utilities notify their customers about tariff and price schedule changes and most also display the current tariff and price schedule at customer payment and information locations (e.g. customer service center).

As discussed above, non-payment can significantly affect viability of a utility but at least affects its cash-flow. Therefore, all utilities above send between 1 and 3 payment notifications to their customers in case of a past due payment prior to further action (see Section 3.2.6).

### 3.2.6.2 Billing and Collection Summary

**Billing Cycle – Cash Flow**

There are no general recommendations regarding an appropriate billing cycle. Whichever billing cycle a utility employs must however satisfy its cash flow requirements. In case a lower billing cycle (e.g. annual billing) is chosen, utilities may opt to collect interim payments (e.g. monthly, bi-
monthly). The appropriate billing cycle should be determined on a utility basis depending on the specific cash-flow requirement and payment morale of customers.

Payment notifications are recommended for customers not responding to the original invoice. An average of 2 notifications prior to announcing further steps (e.g. disconnection, legal action) is most frequent. The applicability of such a procedure should be checked at each utility among others depending on the payment morale of the respective customers.

Regular sanity checks of meter readings are recommended as an additional tool to determine potential irregularities (meter tampering, etc.). Best is to conduct these directly during the meter reading process or at least following the data transfer to the customer database / billing system.

**Billing Software**

The current software market offers a high variety of billing software which largely satisfies the needs of water utilities. As each utility has specific demands, a thorough market research is recommended to identify the most appropriate tool. Also, self-developed solutions may provide the basis for best performance. The software itself may be less important then the way it is customized to the specific needs of the utility. Therefore, it is recommended to spend a significant effort and resources in the appropriate customization of software and – where possible and beneficial – to link the billing software to other software applications (financial management, management information system, customer database / customer interaction modules, etc.) within the utility to enable a rapid and automated data transfer.

**Billing Information**

Bills should be set up in a way that all relevant information can easily be seen by the customer. This may include an additional information section on how to read the bill.

Provision of information has already been discussed in Section 3.2.3. The importance of this also applies to information regarding billing changes. Therefore, it is recommended to inform each customer about changes in topics such as meter reading, billing cycle, tariffs, etc. Such information could be distributed together with other regular customer information such as customer newsletter, bills, etc.

**Payment Means**

Payment preferences of customers differ. A provision of several payment options will facilitate payment for the customer as he/she can select which payment mean is the most convenient. Therefore it is recommended to provide a range of payment options which reflect the most used payment means in the particular environment (e.g. online banking, by mobile phone, cashier offices, direct debit, cash transfer, etc.). Cash payments to “itinerating money collectors” should be avoided!

**3.2.7 Service Interruption and Disconnection Management**

**3.2.7.1 Discussion and Comparative Overview**

Non-payment of water supply/sewerage bills is a serious issue many utilities worldwide are facing, since non-payment influences the utilities’ cash-flow and can significantly impact its long-
term financial sustainability. Therefore, it is generally beneficial to have procedures in place to counter non-payment of bills. This is also integral part of customer service provision.

The nature of the procedure which can be implemented can depend among others on the legal framework, the utility management strategy, the significance/extent of non-payment, and the overall customer profile. An increasing number of utilities have made the experience that non-payment can (only) be significantly reduced by threatening with disconnection and subsequent legal action. However, for this particular tool, the local legal framework has to be analyzed closely to determine whether such options can be pursued.

Prior to applying such tools, utilities usually sent out warning letters/notifications to late or non-paying customers (also see Section 3.2.6). The number of notifications sent out prior to taking more serious action varies from utility to utility. Additional means of discouragement, apart from physical disconnection and subsequent legal action, are ensuing re-connection fees and interest rates on arrears.
<table>
<thead>
<tr>
<th>Are non-paying customers disconnected</th>
<th>KWL</th>
<th>Chania</th>
<th>AMD</th>
<th>Scottish Water</th>
<th>Yarra Valley Water</th>
<th>Acosol</th>
<th>Pawtucket</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes¹</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>How many notifications are sent prior to disconnections?</th>
<th>2</th>
<th>1</th>
<th>3</th>
<th>No data</th>
<th>3</th>
<th>3</th>
<th>2</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Number of disconnections in 2010</th>
<th>156</th>
<th>669</th>
<th>26.000</th>
<th>-</th>
<th>177</th>
<th>1400</th>
<th>280</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Who disconnects?</th>
<th>Customer service field staff</th>
<th>Disconnection team</th>
<th>Disconnection team</th>
<th>-</th>
<th>Customer service field staff</th>
<th>No data</th>
<th>Customer service field staff</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Are customers notified about when the service is interrupted?</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Is support by the local police required?</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>No</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Does legal action follow disconnection?</th>
<th>Yes, sometimes</th>
<th>Yes</th>
<th>Yes</th>
<th>Legal action yes, disconnection no²</th>
<th>Yes, sometimes</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>How many cases have been brought to court in 2010 for non-payment?</th>
<th>25 from water customer, ~560 from customers only receiving wastewater services</th>
<th>-</th>
<th>No data</th>
<th>-</th>
<th>19</th>
<th>No data</th>
<th>-</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Are a disconnection and re-connection fee charged?</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
</tr>
</thead>
</table>

### Table 3-10: Non-payment Procedures in Comparison

¹ see Yarra Valley Water non-payment procedures on next page
² Bad debt in the household sector sits circa 4%. Councils responsible for collection follow strict debt collection processes including non-payment surcharges and following right through to appropriate legal action. In the non household sector, disconnection for non payment can be implemented
In order to reduce the financial impact stemming from non-payment by customers, all selected utilities use disconnection of services. This is usually preceded by 1-3 notifications about a past due payment, informing and warning about the potential service interruption and also subsequent re-connection fees.

Despite these warnings, up to 26,000 disconnections per year are performed by one single utility in order to “motivate” customers to pay. For this purpose most utilities have either designated disconnection teams or general customer service field staff.

---

**AMD disconnection procedures**

Disconnections or service interruptions for drinking water are conducted outside the houses on the sidewalk. At this point some customers request time to immediately go to the customer service center to pay the debt. Others request more time: 2, 3 or more days depending on the agreement with the disconnection team. Re-connection is then again charged. Customers always react annoyed. However they are usually informed about consequences of non-payment as, together with the bill they receive a warning and a note that their connection will be disconnected in case of non-payment. AMD doesn’t have any difficulties with media (TV, newspapers) in this respect. AMD has its own statistics in this regard: approximately 2,000 disconnections are performed each month and there is no reason to believe that this will decrease.

**Scottish Water disconnection procedures**

Scottish Water doesn’t disconnect households. If businesses don’t pay (businesses are metered) they are disconnected as a last resort. This is done in accordance with a disconnections code (http://www.watercommission.co.uk/view_Market_Documents_Comp.aspx). Customers are then charged for reconnection. Support form the local police is not necessary - usually a 2 man job – else “walk away if too risky”.

**Yarra Valley Water non-payment procedures**

YVW does not actually disconnect but rather restricts water supply in accordance with Health Regulations. This is done by freezing the pipe before the stop tap, removing the stop tap and placing a metal disk in the pipe that has a small hole in it. This effectively reduces the flow to a minimal amount as required under health standards (at least 2 litres per minute) Legal action may follow supply restriction but not always.

---

Customers being disconnected are usually informed upfront – so to say, as last warning to pay. Despite disconnections being little welcome and customers often reacting annoyed, in neither of the cases above is police support required. In most cases (5 utilities out of 7) service disconnection is not the final answer to non-payment but ensuing legal action. Up to ~580 cases have been brought to court for non-payment at one utility (KWL).

---

**KWL non-payment procedures**

In case of non-payment customers receive up to 2 notifications and as last resort an announcement of disconnection and legal action with a final warning period of 14 days. Disconnections are performed by customer service field staff responsible for disconnections and new connections. Support by police is in general not necessary. In 2010 ~31,000 water customers received a first notification regarding late payment, of these ~12,000 received a second notification, of these ~2,000 received an announcement of legal action and disconnection as last reminder with a 14 day warning period, thereafter 156 connections were disconnected. In case there still is no payment within 2-3 months legal action follows. In 2010 this applied to 25 customers.

KWL also has customers in boundary areas for which only wastewater services are performed as water is supplied by a different utility or water association. In this case after a first notification, received by ~10,000 customers in 2010, ~5,000 received a second notification, 1,265 received a final out-of-court note. Finally, ~560 cases were brought to court.
3.2.7.2 Disconnections / Non-Payment Procedures Summary

Due to the severe implications of non-payment of bills, it is strongly recommended to analyze the legal framework and to lobby – if possible at a national level – for the possibility of implementing service disconnections in case of non-payment. As disconnections are a sensitive topic, it should have a large backing from political and legal institutions, as well as being accompanied by extensive information campaigns about the reasons, procedures and implications.
4 Customer Service – Current Status in Albanian Water Utilities

4.1 Methodology of Sector-Wide Situation

Water supply and sewerage utilities in Albania operate in a very dynamic environment. They are currently undergoing significant reform based on the principles of cost recovery, commercialization, and demand management. These utilities are mandated to provide sustainable services to all consumers residing in the service area. This Section of the Report provides a situation analysis of the Albanian water supply and sewerage services sector with respect to provision of Customer Service activities. This is, as Customer Service and its functional areas, have a significant impact on the cash flow, the financial management and finally the financial viability of a water utility!

The methodology used to assess the level of Customer Service in Albanian water utilities included a survey of the Customer Service function at each of the 56 Albanian water utilities through a specially designed questionnaire. This questionnaire was developed in close communication with involved stakeholders, such as the Water Regulatory Authority; Monitoring and Benchmarking Unit in the General Directorate of Water Supply and Sewerage; General Directorate of Policies for Water Supply, Sewerage and Solid Waste in the Ministry of Public Works and Transport; Water Supply and Sewerage Association of Albania; Consumer Protection Agency, UNDP and GIZ. Subsequently, the questionnaire was analyzed using standard office applications. This proved sufficient for the data obtained and the analyses planned.

In several cases, the data provided by the utilities was unclear, inconsistent or missing. In those cases, the Consultant followed up by calling the utilities to clarify the data or obtain additional information. Despite these efforts, reliable answers could not always be obtained for all questions. Furthermore, the data quality had to be doubted in some cases: not necessarily because utilities were not willing to contribute, but often they were not readily able to provide data, as certain data is not kept and/or adequate, and computerized filing / data management systems are lacking. Nevertheless, the Consultant is confident that the totality of data obtained provides a valid and sound insight into the current situation of the Albanian water sector customer service practices and thus a solid basis for further steps, such as the development of customer service guidelines planned by the Water Regulatory Authority with advisory support from GIZ.

The Survey structure was designed with the primary focus to gather substantial information on the key functional areas of Customer Service operations and activities that are currently provided by each utility and summarized into the following categories:

- Customer Service Organization and Staff Qualification
- Customer Database Management
- Public/Customer Information and Communication (incl. PR)
- Customer Complaint Management
- Meter Reading Management
- Billing and Collection Management
- Service Interruption / Disconnections
For further details on why these functional areas are important to successful customer service, please refer to Chapter 3.

The following represents a detailed analysis on the data provided by the utilities regarding the key functional areas of customer service. In addition to the survey Findings, illustration of Good Albanian Examples are presented for each functional area of Customer Service and the complete presentation of Site Visits Review of Good Albanian Examples is addressed in Annex B, at the end of this Report.

4.2 Findings and Discussion

In the following Sections present the relevant results of the customer service survey conducted among the 56 water utilities in Albania.

4.2.1 Customer Service Organization and Staffing

4.2.1.1 Discussion and Comparative Overview

Customer Service Organizational Structure and Operations

A sound, practical organizational structure is vital for a utility to respond to the needs of its customers, and to perform efficiently and effectively. This also applies for a functional organizational set-up for customer service activities. In this context, the existence of a dedicated customer service unit can even be considered vital in providing successful customer service (see also Section 3.2.1). Therefore the Albanian water utilities were asked whether they had a separate organizational unit dedicated to all or most customer related functions.

According to the survey responses, the majority of the Albanian water utilities reporting (35 out of 41) have a separate organizational unit/department dealing with key customer related activities. Historically, only billing and collection were recognized as customer related activities. This may be a reason why, in a large fraction of utilities, this separate organizational unit/department dealing with key customer related activities are often still called Sales Department, while others do refer to these units as Customer Service Department. Mainly, only the small and rural utilities indicate they have neither.

The findings confirm the Consultant’s experience in the Albanian water sector that the Utility’s organizational structure varies, among others according to the size of the utility. This may, however, also be due to the fact that larger utilities tend to have stronger leadership, or obtained technical assistance as well as accompanying institutional strengthening support.
Box 1 - Example from Tirana Water Supply and Sewerage Utility

Customer Service Department Organization

Tirana Utility has made unbelievable progress since January 2010 through the great commitment of its new leadership and staff. With the initiative of Senior Management the Utility faced organizational restructuring focused on defining clear, open communication that will enable accountability for better results. To be able to align more “line function” in its overall structure the Senior Management decided to divide the service area of Tirana into four major zones establishing Utility Units responsible for each zone. The Sales Department is responsible to manage the entire meter reading, billing and collection cycle, customer complaint management, implementation of disconnection/new connection policies with full authority and accountability for maintaining all information on the customer data base, and for improving and maintaining a high collection rate. Overall the staff responsible for Customer Service Management is new, talented, educated and motivated to perform well. Now there is a greater emphasis on delegating more responsibilities and authority to lower levels and encouraging interdepartmental collaboration as part of a Total Quality Management approach.

Customer care is considered the utility’s core responsibility and this has significant implications for the utility management and supervisory council.

According to information from the General Directorate, which oversees the Capital Investments and Institutional Strengthening Programs for water utilities, the majority of the utilities reportedly are now in a transitional phase with regard to reviewing and changing their current organization structure, aiming to clearly define the “line and staff functions” and encourage the delegation of responsibilities in all functional department areas.

Box 2 - Example Shkoder Water Supply and Sewerage Utility

Customer Service Department Organization

The Customer Service Department is a key operating Department of the Company, and is treated as “line function” in the overall organization of the Company. The Customer Service department has developed and implements a very well structured Customer Service Operations Manual designed to serve as a standard procedures manual for the routine activities of the staff of the Customer Service Department. The Customer Service Department is responsible to manage the entire meter reading, billing, collection cycle, with full authority and accountability for maintaining all information on the customer data base, and for improving and maintaining a high collection rate. In addition, the Customer Service Department is also responsible to develop and implement an effective and sustainable customer communications/customer relations program.

The Customer Service Department has prepared detailed Job Descriptions for all positions of the Department’s staff.
### Box 3- Example Shkoder Water Supply and Sewerage Utility

#### Manager of Customer Service Department Job Description

<table>
<thead>
<tr>
<th>Position Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Manager of the Customer Service Department is responsible to the Director of the Company for the generation of revenues for the Company, based on the established tariff structure; for maintaining and controlling all relationships with customers; and for managing a program of presenting the Company in a positive light to the public at all levels.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Duties and Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Recommend and assist in the implementation of goals and objectives; establish schedules and methods for customer service; implement policies and procedures.</td>
</tr>
<tr>
<td>- Plan, prioritize, assign, supervise and review the work of staff involved in customer service operations.</td>
</tr>
<tr>
<td>- Develop and implement the Public Communication and Awareness Program</td>
</tr>
<tr>
<td>- Manage Customer requests for new connections and Customer Complaints</td>
</tr>
<tr>
<td>- Monitor the distribution of monthly water and sewer bills</td>
</tr>
<tr>
<td>- Review and analyze meter reading, field service, and collections activities in relation to billing reports to assess unit production.</td>
</tr>
<tr>
<td>- Analyze the income collection process and prepare monthly reports on the efficiency of the collection process for the Director</td>
</tr>
<tr>
<td>- Follow up with the Company's debtors and negotiate payment schedules</td>
</tr>
<tr>
<td>- Review the needs for training of the Department staff</td>
</tr>
<tr>
<td>- Supervise the process of applications for new connections</td>
</tr>
<tr>
<td>- Prepare and execute customer service satisfaction surveys</td>
</tr>
<tr>
<td>- Answer questions and provide information to the public; investigate complaints and recommend corrective action as necessary to resolve complaints.</td>
</tr>
<tr>
<td>- Prepare annual budget for public relation activities and submit it to the Director for approval</td>
</tr>
<tr>
<td>- Prepare a monthly report for the Director on work progress and results</td>
</tr>
</tbody>
</table>

Joining the standard and most common customer related operations within a dedicated customer service department is a crucial step in providing successful customer service. This is, among others, in order to provide a single point of interaction between customers and the utility. Thereby, the perception of the utility can be significantly improved, which is also true for the response quality and the response time to customer requests (also refer to Section 3.2.1 for further details).

Due to the importance of this aspect, the Consultant decided to gather information on whether key functional customer service operations in Albanian water utilities are conducted in a dedicated customer service department or not, and in the latter case, which other departments cover these activities. The responses received from the utilities are summarized in Table 4–1, which provides a comprehensive picture of which departments currently manage the different functional Customer Service operations.
The results of the data collected show that in general, more than half of the Albanian utilities (35) have key customer related activities performed by a customer service department, which – as discussed earlier – may in some cases be referred to as “sales department”. Selected activities are however often carried out by other departments. This includes billing and collection activities (mostly finance department), customer complaints management, service disconnections and customer service contracts/new connection (all by the technical department). These activities performed by other departments include key customer related activities where appropriately qualified staff is required, prepared and trained to deal with customers.

**Outsourcing**

Water utilities worldwide are outsourcing customer service activities to improve cost efficiency and focus on core business competencies and operations. Such activities may include tasks like installing or reading water meters, calibrating meters, producing/printing communications materials etc. The main benefit of outsourcing is that utilities can take advantage of private sector expertise for specific skills not readily available in the utility work force or significantly reduce costs when such activities are NOT performed by in-house staff. Also, the recently developed Water Supply and Sewerage Services Strategy of Albania sets, as a priority, the need to encourage Private Sector Participation through outsourcing and other PSP models. As a consequence, current outsourcing practices were determined and are shown in the following figure:
The data reported in the Survey show that 10 out of 47 utilities replying to this question outsource at least one Customer Service operation/activity. Looking at these into more detail shows that most outsourcing practice relate this mainly to the Printing and Production of Company Brochures and Public Communication activities (57% of outsourced activities) followed by PR activities (29%). Only one utility outsources meter replacement, and the implementation of service interruptions/disconnections.

The above findings can be understood in such a way that the practice of outsourcing activities might be slowly expanding. However, many utilities still do not conduct any kind of outsourcing. Most likely, this is concept for Customer Services new and it may appear, at first glance, to be more cost effective to conduct all activities with in-house staff – or not at all – instead of paying third parties. Therefore, prior to deciding on outsourcing activities, a thorough cost-benefit analysis is required in order to determine which activities can be outsourced at a particular utility and what the cost savings would be. Only then can a tender process for those activities be conducted. Tendering (best on a regular basis, i.e. every 1 or 2 years) in this context is indispensable in order to ensure that the best price is reached in the market.

**Customer Service Staffing and Staff Qualification**

As discussed earlier (see Section 3.2.1) the customer service staff is one of the utility’s greatest assets. This includes staffing level and staff attitude: Only a sufficient level of staff will be able to provide successful customer service. At the same time, an adequately qualified and motivated staff is more likely to pay appropriate attention to customer concerns. Therefore, the Consultant collected information on various staff related issues, such as educational background of department heads, staffing level, staff training and development, and whether incentive payment schemes are implemented. The results can be seen in the following figures and tables.

As can be seen in the following Figure 4-3, 9 utilities (mainly small utilities below 10,000 customer connections) have a department head for customer service without a university degree. Of those department heads with a university degree, most have relevant finance or business administration degrees, some also have engineering backgrounds.
This information is relevant considering that this important position is considered responsible for ensuring the level of revenues for the Company, based on the established tariff structure; for maintaining and controlling all relationships with customers; and for managing a program of presenting the Company in a positive light to the public at all levels. Therefore, the information also provides an insight into the possible potentials of customer service provision assuming that department heads with relevant qualification and education play a major role in developing and improving service level provision in customer service, as well as hiring and training more adequate staff for all Customer Service functions.

![Figure 4–3: Level of Education of Head of Customer Service Department](image)

Staffing levels in many utilities in developing countries and in countries in transition are characterized by being high and not always reflecting the appropriate allocation among various departments. This generally common overstaffing and staff inefficiency shall however not be further addressed in this context. However, customer service departments often suffer from inappropriate number of staff and from inadequate staff qualification. Both staffing level and staff qualification are nevertheless highly relevant for providing successful, qualified and pro-active customer service.

In this context the Consultant assessed the customer service staffing level (see Figure 4–4) as well as the staff training and motivation procedures in place at the Albanian water utilities.

![Figure 4–4: Customer Service Staff per 1,000 connections](image)
The figure above indicates the average level of staff responsible for customer related activities. Especially in the small size utilities, the range of Customer Service Staff employed differs quite significantly. However, there is a tendency that larger regional utilities have a staffing efficiency indicator lower than the medium or small utilities.

The data collected from the Survey reports that 21 utilities out of 49 (43% of responses) have received and implemented some form of training measures for the Customer Service staff during the period 2008-2010. According to the knowledge of the Consultant, these training measures were mainly conducted by Technical Assistance Institutional Strengthening Projects as part of Capital Investment Programs in the Water Supply and Sewerage Sector. These were mainly focused on the improvement of Billing and Collection Management.

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of utilities having staff that received training in 2008-2010</td>
<td>21</td>
</tr>
<tr>
<td>Total Percentage of customer service staff having received training in 2008-2010 (18 answers)</td>
<td>36%</td>
</tr>
<tr>
<td>Number of utilities that provide performance based payments (49 Answers).</td>
<td>15</td>
</tr>
</tbody>
</table>

Table 4-2: Staff Training and Incentives

Most, if not all of these 21 utilities indicated further information on how much staff had been trained and/or how many training days had been conducted in total. However, despite this impressive level of response to these particular questions, the Consultant gained the impression, during follow-up calls and selected on-site interviews, that training received by utility staff is actually NOT adequately recorded at the utility level and within the file of each employee, if at all. This would be relevant for appropriate training needs assessment and also adequate human resource development activities.

The utilities, nevertheless, seem to be aware of a further need for training and qualification for customer service staff. When asked in which areas they see the greatest need for further staff training, the following answers were given from a total of 47 utilities:

![Figure 4-5: Indicated Training Needs in Customer Service](image)

The above shows that the most relevant areas for additional training are billing and collection, customer data management, and public relations/customer communication. Even more substantial may be the fact that almost all utilities realize that there is a need for further training of staff. This also indicates a certain degree of sensitivity towards staff training as a relevant tool.
This is an important basis for installing further institutionalized training structures and activities in the utilities and the overall sector in the future.

Nevertheless, the experience of the Consultant is that no utility conducts a regular Training Needs Assessment for the staff assigned to Customer Service Functions, if at all. However, no data exists in this respect.

Of possible importance for successful and pro-active customer service can be the use of performance based remuneration. This may increase staff motivation and performance. According to the responses obtained, 15 utilities out of 49 reported having some kind of performance based remuneration scheme. The responses indicate that ~42% apply these to all customer service, whereas the rest offer these to task force staff or other customer service staff.

How detailed and standardized the practices are in the kind of Customer Service Staff Performance Appraisal Program which link the salaries, bonuses and rewards based on an individual performance cannot be determined from the data obtained.

When asked what the greatest constraints were to improve and further develop customer service activities, the most predominant answers were (see Figure 4-7) Lack of Resources, Staff and Staff Capacity and finally Insufficient Support by the Shareholders.

Customer Service Hours of Operation

Customer service also implies being available for customers and their questions and/or their complaints. Availability and thus hours of operation also influence customer satisfaction.
Most of the water utilities in Albania are available to customers during the official utility office hours which are from 8:00 to 16:00. However there are also a number of utilities that offer only specific time-periods dedicated to customers. These vary between 2-6 hours per day. The figure above shows the customer service hours of operation offered by the Utilities based on the responses received and categorized for better visualization.

According to the data obtained, availability is not related to the size of the utilities, with both small and large utilities reporting the full range of walk-in hours of 2-8 hours per day.

In addition, all utilities have reported 24 hours per day of availability in cases of emergencies, such as pipe bursts etc.

4.2.1.2 Customer Service Organization and Staffing – Summary of Identified Gaps

a. The majority of water utilities in Albania show deficiencies in the organizational structure and set-up of their Customer Service Departments, such that they need to comprise all customer service functions bundled within an organizational unit and to effectively manage the service delivery.

b. The path towards application of different Private Sector Participation models focused on key areas of Customer Service Functions is almost non-existent.

c. Customer service department heads are not always adequately qualified.

d. From experience and the site visits, the Consultant has gained the impression that detailed job descriptions are lacking in the customer service areas.

e. There are no provisions for Performance Improvement Initiatives within the Customer Service Departments and no Routine Staff Training Assessment Actions in place, as well as clear Staff Development Scheme to enhance Staff Skills and Qualifications.

f. Motivation strategies to improve customer service staff performance and attitude seem to be missing in a majority of the utilities.
g. In some cases, the Customer Service departments are not open to customers during the
time of a normal business day, but only in short small time periods.

4.2.2 Customer Database Management

4.2.2.1 Discussion and Comparative Overview

Customer Database Management is critical for water utilities. It is the basis for all commercial
activities, since only with full and correct customer data can adequate billing efforts be made.
Therefore inadequate, incomplete and/or incorrect customer data has a strong negative impact
on the utility’s cash flow and financial sustainability. For further details refer to Section 3.2.2. In
this context, the Consultant strived to gather information on the level of computerization, formats
in which customer data is kept, as well as the type of information kept on each customer. The
existence of standard formats and the level to which utilities had begun implementing a recently
developed standard customer contract were of further interest.

Level of Computerization

Computers are now widely used in day to day activities of water utilities worldwide.
Computerization overcomes many of the defects in manual systems, is fast, provides a control
on the system, and helps in decision-making. The output formats can be tailored to suit quick
retrieval of information that is necessary for decision making.

The majority of water utilities in Albania have only recently started to move towards thinking of
the increased benefit and importance in an established electronic Customer Database System.
Traditionally, all customer information was managed manually. As a result, there still is a low
level of computerization in the Albanian water utility sector. Most likely, in the course of relatively
recent donor-financed projects, the utilities have improved the level of computerization in the
Customer Service offices. The current level of computerization is shown in the Figure 4-9 below:

![Figure 4–9: Utilities and Level of Computerization, Level of Population Covered by Utilities](image-url)
integrated software solution where billing and collection functions are integrated with other applications, such as GIS and/or Finance software.

Box 3- Example from Korce Water Supply and Sewerage Utility

Customer Database Management
Korce Water Utility is the first pioneer utility in Albania that introduced Computerized Database Systems, running for more than 10 years a powerful Billing and Collection Program with an integrated Complaint Tracking System.

The level of computerization as well as the degree of automatization at all company premises and especially at the Customer Service offices is very outstanding and the company's current leadership continues to invest in upgrading the Customer Database System by introducing and implementing new specific system patches that enhance the capabilities of the programs and complete the customer information fields.

Formats for Registering Customer Data

Customer data needs to be accessed easily, rapidly and to its full extent. This is relevant in order to being able to reply to requests by customers at a front desk or when calling the utility, as well as by replying to any customer within a short response time. This however necessitates that the customer data be stored in an electronic format, which is easily accessed.

However, considering not the number of utilities but the population served by the respective utilities, the analysis shows that utilities serving 76% of the population have a dedicated billing and collection software connected to an internal utility network. Yet again, the percentage of population served by utilities having an integrated software solution remains low.

Figure 4–10: Formats Used for Customer Data Management by Albanian Utilities

The data collected during the survey however shows (see Figure 4–10) that still 14 utilities out of 50 (mainly smaller ones serving a total of 7% of the population in Albania) handle customer data solely by manual means, whereas 17 utilities (serving 11% of the Albanian population) use either Excel or Access formats. The latter (use of Excel/Access tools) already represent a small step forward. Nevertheless, for full use of customer data it should be able to establish links between customer data and other software applications and electronically kept files (e.g. GIS-maps, electronic customer contract copies, information on prior contacts with each customer). These are only possible with more sophisticated software applications.

As previously described, the survey response analyses shows that 19 utilities (out of 50 responses) are currently using a computerized Billing and Collection Program with potential for establishing or already established links with other relevant software applications. This group of Utilities represents 82% of the total customer connections, which indicates that mostly the larger water utilities in Albania operate computerized Customer Information Database systems.
Customer Database Information

The previous paragraphs discussed the level of computerization and how the customer data is stored and managed. These are relevant in order to being able to make full use of the data contained in each customer file. However, it is furthermore crucial that the most relevant pieces of information are actually kept about each customer and each connection in order to fully link all customer related information to one customer. The fields of information - and thus the degree of information – contained in the Customer Database is crucial.

The relevance of specific fields of information usually differs from one utility to another. For example, they can be related to the payment options provided or billing basis chosen:

- A utility offering direct debit will require the consumer’s account data.
- A utility offering a flat rate based on the household members will require information about the number of household members of each customer.

From the 41 utilities responding to this question, Figure 4-11 summarizes the most frequently used Customer Information Fields by the number of utilities. As shown, the majority of the utilities record the following data on each customer: Customer ID code and category, meter reading records and number of household members.

![Figure 4–11: Number of Utilities Keeping Different Categories and Types of Information](image)

However, only 26 utilities keep the address of a customer’s connection in the data file and only 13 utilities are able to contact the customers as the others do not save the customer contact details.
Customer Database Management


The customer databases are structured and populated with detailed Customer Information fields to include: Customer Identification Number, Customer Billing Zone Code, Customer Connection Address, Detailed Customer Category, Customer Contact Details (i.e. Email/Tel/Cell-phone), Customer Bank Account Information, Water Meter Identification Code/Number, Meter Reading Records, Number of Household members, Customer GIS, Records of direct communications with customer (phone calls, complaints, etc).

The staff of Customer Service Department are trained to operate both Customer Billing Database and GIS Database and to routinely update the systems to be able to maintain the recent changes equally in each.

This data shows that several key data are kept by a majority of the utilities. However, many utilities do not keep some of the most important data on their customers. Customer guidelines should therefore clarify, together with the utilities, which data sets utilities should keep and also indicate a minimum set of data mandatory to be kept by all utilities. In addition, 46 utilities out of 50 (92% of the utilities) have reported that they provide confidentiality for Customer Information.

Customer Data Standard Forms

In early 2011 the Water Regulatory Authority developed, together with UNDP and GIZ, a standard Customer Service Contract/Customer Contract. Currently, workshops are taking place with the utilities in order to clarify issues and provide support related to the introduction of these Customer Contracts.

![Figure 4–12: Number of Utilities Having Begun Implementation of Standard Customer Service Contracts](image)

The responses given in the survey indicate that of the 46 utilities responding; almost half have already started to implement this Customer Contract Model. This is very good progress, especially considering that the aforementioned workshops are still ongoing. Besides having a standard form for customer contracts, 32 utilities out of 50 (78% of the utilities) report to also have a standard format for New Connections.

4.2.2.2 Customer Database Management – Summary of Identified Gaps
a. The level of computerization and the use of internal office network communication systems in the Customer Service Offices is considered not sufficient. Moreover, the concept of intranet connection with remote cashier offices is very rarely implemented.

b. Overall, the Utilities lack the implementation of a properly designed Customer Database Management System. A great amount of information is still managed manually, which increases the level of errors and decreases communication with customers.

c. The Customer Service staff has not invested in enhancing the use of several Customer Information Fields even in the cases when these fields are made available by the Billing and Collection Database Systems. The fields of information and the degree of information contained in the Customer Database are crucial. Many utilities do not even record the most important basic data on their customers.

d. Lack of physical customer referencing is a major handicap. The need for introduction of GIS/Mapping procedures cannot be underestimated.

e. The application of Customer Standard Forms to include Customer Service Contract, Customer Complaint Form, Customer Request for new Connection Form, Request for Termination of Service etc, is missing in the majority of the Utilities.

4.2.3 Public Information and Communication / Customer Feedback Management

4.2.3.1 Discussion and Comparative Overview

Information and Communication plays a pivotal role in developing and sustaining successful Customer Relations. Water utilities have multiple interactions with the customers each day through their services and staff. These interactions occur every time a person turns on the tap for a drink of water, washes laundry, or waters the garden. Interactions also occur every time a customer has a question about the water bill, metering procedures, or sees a crew repairing a water main break in a neighborhood.

Each interaction is an opportunity for the customers to form an opinion about the way the utility operates and provides its services. These interactions can either help or harm the image of the utility, and its relationships with the customers and the public in general. Customers expect more and it takes more to meet and exceed their expectations.

With few exemptions, it can generally be stated, based on the Consultant’s extensive experience, that Public Relations and Communication in Albanian water utilities is not a structured and institutionalized function in the Customer Service Department. Traditionally, the Public Relations activities are mostly conducted by the Director of the utility. The utilities, however, now seem to be realizing the importance of communication with customers and the public in general. Nevertheless, there is still much work to be done, as the following observations demonstrate.

Means of Communication

Figure 4–13 shows the most common means of communications that Albanian utilities utilize to communicate with the customers and general public. Clearly, the responses indicate that the
majority of utilities only use verbal communication when a customer shows up in their offices or when they report a complaint by using the phone. Only 2 utilities in Albania have designed and operate a Company’s Webpage as a tool to communicate with the Public. Whereas, 4 utilities indicate that they provide no means for Customers to contact them at all.

![Figure 4–13: Number of Utilities Offering Certain Means of Communication to the Customers](image)

The data thus indicates that less than half of all utilities offer a means, to their customers, to reach them by phone and only about 12.5% offer modern means of communication (internet / e-mail). Apart from a high number (41 utilities out of 50 responses) having customer information desks / front desks, the means of communication offered by Albanian water utilities can overall be considered poor. This is also reflected in Figure 4-14 depicting the number of means (Customer Information Office/Desk, Dedicated Telephone Line, Internet/webpage, E-mail Contact Form) that individual utilities provide for communicating with their respective customers.

![Figure 4–14: Number of Utilities Offering Various Means of Communication to the Customers](image)

As many as 4 utilities confirm not providing any means of communication to/with their customer. Most common are 1 or 2 means. However few utilities offer a wide range of options with 3 or 4 means.
Box 5- Example from Shkoder Water Supply and Sewerage Utility

Public Relation and Communication Management
The Utility of Shkoder has developed and currently implements a Public Relation/Communication Plan which includes activities and events in support to the Utility Business Plan Strategic Goals. A great achievement of this plan is the development and utilization of the Shkoder Utility Website (www.ukshkoder-al.com), a very comprehensive, informative and visually well received innovation for the entire utility.

The Public Communication strategy aims to build a sustainable system of public relations and customer services across the UK Shkodra for the following reasons:

- To protect the environment;
- To promote a responsible use of drinking water;
- To establish a culture of paying for drinking water;
- To create a corporate culture of care and respect for the customers;
- To facilitate the line communication between managers and staff of the company.

The short-term goal is to increase the awareness and the support of the local population in the service area of the UK Shkodra towards the Company and the “Water Supply and Environmental Protection – Lake Shkodra Project”.

Public Information and Public Relations
Today’s public is demanding and requires information. Even more, the public and thus in the present context the customers demand to be informed about their choices and the services that the Company provides, and related information such as:

- Quality of their drinking water
- Reliability and continuity of service
- Company’s measures to improve the water supply and sewerage systems
- Potential changes in tariffs and fees
- Who to contact if a customer has a billing problem
- Company’s actions to minimize the number and duration of water service interruptions
- Emergency situations and upcoming construction interruptions in their neighborhoods.

Public relations and information activities contribute to establishing a positive image of a utility and thus can influence the willingness and promptness to pay. Figure 4-15 presents the types of Public Relations Activities reported to be used by the utilities in Albania. Of the 9 types of Public Relation Activities presented in the survey, bill inserts are ranked as the most used type of customer information.
Overall the data above indicates that while the full range of PR tools displayed is being applied there are many activities which are carried out by only few utilities, although they may be easy to conduct. This data also indicates that the sector, as a whole, is not pro-active in using a large range of activities.

This is also reflected in Figure 4-16 depicting the number of PR activities performed by individual utilities. There it can be seen that large utilities perform well, medium utilities are a mix of very good, good and poor performers, and small utilities are mainly poor performers in this respect.
Figure 4–17: Budget Spent on PR Activities a) Ratio to Total Utility Revenue and b) Per Connection

The larger the individual utility, the lower the respective cost spent on PR activities per connection or as % of total utility revenue, which is to be expected based on economies of scale. Impressive is the large range for the small utilities, where some spend little if any money for PR activities and others spend considerable amounts, as this seems to be important to them. Overall, however the amount invested into public/customer relations seems quite small, regardless of the basis of measure (% of revenue or per connection).

Collection of Customer Feedback

Customer satisfaction and feedback is vital to making a utility work. Customer feedback can be an excellent way to keep the utility going in a positive direction and can indicate where the utility needs to improve either its performance, or the display and distribution of information.

Most Albanian utilities indicate that they collect customer feedback. Moreover, they indicate that to a great extent, they collect customer feedback every 6 months or at least on an annual basis. However, customer feedback in Albanian utilities is more understood as “word of mouth” type of communication, when a customer shows up at the Cashier Offices to pay a bill. Also, the meter readers are a main tool for obtaining feedback. However, according to the impression of the Consultant gained during the site visits, in most cases there seems to be no clear procedures for systematic collection and evaluation of customer feedback. Only a few utilities have started to make available a combination of means to interact with the customers, however these types of interactions are not documented or registered in any of the utility protocol systems.
Box 6: Example from Lezhe Water Supply and Sewerage Utility

Customer Feedback Management

The Lezhe Water Utility is the only company in Albania that provide for a customer feedback book. The Book of the Customer Opinions contains standard forms with qualitative questions related to the level of the service, staff behavior and waiting time.

Information on Planned and Unplanned Service Interruptions

As shown in Figure 4–19, in most of the cases, utilities use TV or Radio channels to notify the customers on planned service interruptions or emergency interruptions. Displays, flyers and newspaper announcements are also used. This represents a standard set of tools to inform customers about interruptions. However, no information was gathered on procedures, advance notice periods, and if utilities actually use the mentioned tools for all planned service interruptions.

![Figure 4–19: Means to Notify Customers about Planned Service Interruptions](image-url)

The survey responses for unplanned service interruptions were practically the same, which does not make much sense for displays and newspaper announcements. Moreover, the experience from the Albanian water sector is that for unplanned interruptions, they are rarely communicated. Therefore, that data is not shown.

Communicating with Customers in Remote Areas

Municipalities in Albania often consist of main urban areas and more rural, even remote areas. This structure presents the challenge for utilities to find ways to reach each customer, including those in rural and remote areas. Therefore utilities in Albania were asked how they communicate with customers in remote areas.
As can be seen in Figure 4–20, communication to the Remote Areas is mainly handled by the Meter Readers/Bill Distributors. Few utilities indicate even communicating by phone. Reasons for this can be manifold and may include an insufficient communication infrastructure in those remote areas (phone/internet), no phone numbers kept in customer database (and thus no ability for the utility to contact customers), as well as a lack of awareness as to why the utility should communicate with remote customers.

4.2.3.2 Public Information and Communication / Customer Feedback Management – Summary of Identified Gaps

a. There are no Public Relations Strategies instituted for marketing of utility services provided and assist in delivery of better services. With few exemptions, it can generally be stated that Public Relations and Communication within Albanian Water Utilities is not a structured and institutionalized function in the Customer Service Department.

b. The Utilities utilize only few basic means of communication limited to desk officer or telephone line, which restrict significantly the interaction with customers and the opportunity for the customers to form an opinion or provide any feedback about the way the utility operates and deliver its services.

c. The utilities lack the development and implementation of a proper Annual Plan for Public Relation Activities which would include a detailed budget cost-breakdown and time line for each activity based on Utility Strategic Goals.

d. Procedures to collect, analyze and monitor Customer Feedback are non-existent in all utilities.

4.2.4 Customer Complaints Management

4.2.4.1 Discussion and Comparative Overview

Complaints are a very specific form of customer feedback such as when customers are unsatisfied with: the general or specific performance of the utility, a communication by the utility,
decisions made by the utility; or, billing data or other reasons out of many. Very important is the fact that the customer is unsatisfied enough to complain. Dealing with this particular customer and his complaint is one of the most important and most challenging aspects of customer service. However, professional and successful handling of each complaint can significantly contribute to both customer satisfaction, as well as to the utility performance improvement. For further details refer to Section 3.2.4.

**Customer Complaint Procedures**

An integral aspect of successful customer complaints management is the existence and application of clear procedures on how to proceed in the case of complaints. In this context, the Consultant asked the Albanian water utilities to indicate if they have customer complaint management procedures. Out of 48 responses, 39 utilities indicated that they do have customer complaints management procedures. Only 9 indicated that they did not (see Figure 4–21). Those utilities without procedures are mainly small rural utilities.

Despite these impressive responses, the reality may not reflect this encouraging impression. According to the experience of the Consultant from working with water utilities these existing procedures are usually very unspecific and not even necessarily in written form. The existence of specific and written procedures however is indispensable for successful complaints management. And this explicitly includes procedures how the customer service officers receiving oral / telephone complaints should react and which tools they have to resolve a complaint.

![Figure 4–21: Number of Utilities with/without Customer Complaint Management Procedures](image.png)

Furthermore, the utilities were asked whether they had a standard customer complaint form. To this question, 2/3 replied positively whereas the remaining 16 utilities indicated that they did not have such a standard complaint form. The existence of standard forms does not, per se, indicate good or bad complaints management. It can merely indicate a certain level of awareness that customer complaints are important, as well as the fact that there is a certain level of procedures in place.

![Figure 4–22: Utilities Using a Standard Complaint Form](image.png)

**Use of Categories**

Complaints can bear useful information about the actual and/or the perceived performance of the utility. Therefore, complaints can be used to determine weaknesses and improvement needs. In
order to fully exploit the information contained in complaints, the complaints should be
categorized and then assessed per category. For that reason the Consultant asked whether
Albanian water utilities categorize their complaints.

Almost all utilities indicated that they divide the complaints into categories. However, this referred
to dividing them into technical and commercial complaints for further processing. Only in very few
cases (i.e. Tirana, Korca, Pogradec, Shkoder) did the categorization group the complaints about
regarding such issues as water quality, pressure, interruptions, customer service, bills, etc. The
lack of a categorization system, in the majority of the utilities, can largely limit the ability to
analyze complaints for follow-up evaluation.

In this context, an improved approach is required to increase the level of information extracted
from complaints for improvement of utility performance.

Submission of Complaints
In order to receive complaints, a means must be provided to the customers in order to voice and
thus submit complaints. The way these means are given and the number of options also
contribute to the overall level of customer service given. Therefore, the Albanian water utilities
were asked how/where customers can submit complaints.

As expected, and consistent with the communication means shown in Figure 4–13, most options
for the submission of complaints (see Figure 4–23) are information points/front desks of a
customer service center and/or cashier office, both standard walk-in locations for customer
interaction. Again, the use of telephone is considerably lower and modern communication means,
such as E-mail / Internet, play only a very minor role.

![Figure 4–23: Locations Used for Submitting Complaints](image)

Following the submission of complaints, most utilities (see Figure 4-24) provide information about
receipt and/or the progress of complaint resolution. This information can be in written or also in
verbal form, such as by phone.
Complaint Tracking

Complaints management also includes procedures on keeping track of what happens to complaints after receiving them. This process has three main phases as shown below:

<table>
<thead>
<tr>
<th>Customer Contract Name</th>
<th>Date when Complaint Is Received</th>
<th>Type of Complaint</th>
<th>Responsible Department Assigned</th>
<th>Date when Complaint Was Transmitted/Submitted to Responsible Department</th>
<th>Actions Taken to Resolve Complaint</th>
<th>Date to Inform the Customer on Progress of Complaint</th>
</tr>
</thead>
</table>

The ultimate goal of having a structured Complaint Tracking System has several key aspects like:

- don’t “lose” a complaint, which would result in not responding to a customer
- being able to answer a customer later on as to the status of the resolution
- analyze and report complaints by type and focus on corrective technical and administrative measures

In order to achieve the above, complaints can be tracked and managed manually or with specific software modules integrated with other customer related software (e.g. billing and collection, SAP, etc.). In order to assess the situation in the Albanian water utilities, the Consultant asked whether utilities have some kind of complaint tracking system, and if yes, what kind. The responses are shown in Figure 4–25.
Slightly more than half of the utilities responding (26 out of 48) indicated that they have some sort of complaints tracking being performed. Of these most (15) indicated that they secure the aforementioned aspects through a manual complaints tracking system. Five (5) utilities indicated the use of a standard office software solution, whereas six (6) utilities indicated the use of a specific module integrated with the billing and collection software.

This data indicates that a certain degree of awareness regarding the importance of customer complaints is present in slightly more than half of the utilities. This is especially true for those utilities having integrated solutions for this purpose. But also, utilities with Microsoft Office applications or manual procedures for complaints tracking exhibit a certain degree of awareness in this respect. The range of applications for complaints tracking also indicates that the utilities with a complaints tracking include large and small as well as urban and rural utilities. This therefore is a good basis to move forward on improving complaints management in all utilities.

The number of complaints is often suggested or even used as an indicator for customer relations and overall utility performance management. However, due to reasons also explained in greater detail in Section 3.2.4, the Consultant doubts the general applicability of this indicator without considering further information.

Complaints can show and indicate the level of dissatisfaction with the utility’s performance. However, the utility management can pro-actively encourage its customers to voice even minor complaints to determine where customers see the largest need for improvement. Also, indispensable steps or one-time events such as tariff increases may distort the information.

Figure 4-26 displays the complaints per 1,000 connections at the responding utilities.
Figure 4–26: Number of Complaints per 1,000 Connections
4.2.4.2 Customer Complaints Management – Summary of Identified Gaps

a. In general, the Utilities lack the development and implementation of proper procedures or policies on how to manage Customer Complaints. The utilities do not maintain monthly data on the total number of complaints and perform any analysis or evaluation of Customer Complaint trends.

b. The systems used to record, file and track customer complaints until final resolution are inefficient in the majority of cases, which result in lack of monitoring, analyzing, ranking of customer complaints, by category, and focus on corrective technical and administrative measures.

c. The Front Line/Customer information Staff are not empowered or trained to effectively manage customer complaints and be able to balance fairly the interests of the utility with those of the customer. No training was ever implemented to strengthen the attitides and communications skills and heighten the staff's awareness of the special needs of customers from different cultural, economic or educational backgrounds.

4.2.5 Meter Reading Management

4.2.5.1 Discussion and Comparative Overview

Metering the water consumption can be considered a standard procedure in modern water utilities. This is foremost due to three factors: metering gives a greater transparency for billing; second, it can contribute to reducing wastage by customers trying to reduce volumetric charges; and third, it provides information to the utility about how much water is reaching the customers, information which can be used to derive (administrative and technical) water losses. Therefore the Consultant asked several questions about meter management, and is also presents relevant data obtained from the Monitoring and Benchmarking (M&B) Unit at the General Directorate.
**Meter Coverage**

The meter coverage, or the percentage of total connections being metered by a utility, is data available at the M&B Unit. This data was grouped according to utility size using standard size categories used by the M&B Unit. The result can be seen in the Figure 4–27.

![Meter coverage by size of utility](image)

**Figure 4–27: Meter Coverage According to Utility Size (number of connections)**

This data indicates that the range of meter coverage is very large ranging from 0-100%. Especially in small utilities, the majority (75% of the utilities) have less than 50% meter coverage. Looking more in detail at the data, it can be seen that 25% of the small utilities report meter coverage from 31% to 2% and another 25% of the small utilities reports less than 2% meter coverage. However, there are individual utilities indicating 100% meter coverage.

In the medium sized utilities, the range is almost identical, however, with about 50% of the utilities having up to 40% meter coverage, and 75% of the utilities have up to 78%. The large utilities of Tirana and Durres have meter coverage of 62% and 35%, respectively, resulting in an average of 53% coverage. Not indicated above is the information that 7 utilities have a meter coverage over 80%, 6 utilities are between 80-50% and 37 utilities have a meter coverage below 50%.

Despite the encouraging information in Figure 4–27, the aforementioned additional information shows that there remain large challenges in obtaining adequate meter coverage. This is a task that can be solved even by the utilities themselves, but requires sound strategic and financial planning, over time. However, public financial support in this regard would significantly enable the financial viability.

**Meter Reading**

There are various methods and potential frequencies possible for meter reading. All utilities that responded conduct meter reading manually and not to use electronic hand-held devices (PDAs).
The data is then entered into a billing system (if existing) manually. Also all utilities indicated that they use a monthly meter reading frequency.

**Box- 9 Example from Elber Water Supply and Sewerage Utility**

**Meter Reading Management**

The reading of the water meters is being performed by meter readers/bill distributors that are identified with the Company IDs and uniforms.

Once the meter readers have read and recorded the readings on the reading list all collected meter readings into the customer account record in the main server at the Billing Department. The Alpha Water billing software then automatically calculates the recent monthly metered or un-metered consumptions per each service (water and/or sewer discharge) provided to all active customers.

The Company is very interested and committed to a management policy of full metering of supply and consumption and is looking for all necessary financial means to be able to implement this program. In full cooperation with the Technical Department a configuration of all customer supply zones has been done along with the assessment of customer metering needs for each sub-zone.

The above information indicates a high level of potential for data input errors. In Section 3.2.2 the Consultant pointed out the relevance of sound and reliable data. The current situation in Albania does not comply with this high standard.

Regarding the meter reading frequency in Albanian water utilities, monthly meter reading is usually connected to a monthly billing cycle. This is common and generally due to support the company’s cash flow. However, a reduction of meter reading frequency could also reduce the (human/financial) resources required for meter reading. Utilities in such a case then tend to request interim payments from customers based on the average past consumption to safeguard a sufficient cash flow.

In the survey, the Consultant asked whether the utilities read meters during a time specifically indicated by the customer. Surprisingly, a large majority (34 out of 48 utilities) responded that they do provide meter reading during times indicated by the customer (see Figure 4–28).

![Figure 4–28: Utilities Providing Meter Reading on Customer Request](image_url)

**Meter Inspection**

Meters are a valuable tool and provide transparency for consumption control and billing. For these reasons, meters are a potential target for tampering and manipulation. Therefore, a regular inspection can be important to safeguard functionality and exactitude. However, regular inspection, performed as an additional task, would be very inefficient. This is why usually meter readers are also instructed to perform quick meter reader inspections during the reading process, to determine obvious tampering.
As can be seen in Figure 4–29, 85% of the responding utilities indicated that their meter readers conduct meter inspections on site and 71% indicated to have specific forms to document meter tampering.

![Figure 4–29: Meter Inspections and Documentation](image)

**Meter Calibration**

Regular water meter calibration also contributes to transparency and as is the case for the calibration of most devices providing official consumption readings, this is often regulated by law. The Albanian Water Code indicates that the lifetime of a water meter is 7-10 years. This can be understood as a recommendation to replace and/or re-calibrate water meters after 7 years, in order to avoid high numbers of justified complaints of customers doubting the meter readings. The current practices were analyzed and the results are presented in the Figure 4-30:

![Figure 4–30: Number of Utilities with Varying Calibration Frequencies](image)

The responses given seem quite inconclusive and even random. Six utilities indicate to calibrate the meters every year, three indicate to do this every 2 years, two utilities indicate to calibrate after 3 or after 5 years, respectively, and thirteen utilities indicate that they do not calibrate their water meters at all. Thus, almost 50% of the utilities responding indicate not to calibrate meters at all.

This information displays a lack of awareness of the importance of reliable water meters at the utilities, and a lack of regulation and/or enforcement. Moreover, it indicates a lack of awareness from the customers: customers being aware of this insufficient calibration could easily refuse
payment of bills on the ground that their water meter is not working properly and that the calibration validity has elapsed. Therefore, the present practice in Albania could represent a financial gain or loss for the utilities, and it is recommended that regular meter calibration be institutionalized. On an international level, meter replacement and calibration is often outsourced to reduce costs.

4.2.5.2 Meter Reading Management – Summary of Identified Gaps

a. The meter coverage throughout the country remains very low. Source and service metering are key components to a successful water use efficiency program. Utilities are largely facing the great challenges to increase meter coverage for all customer categories and to coordinate financial support to be able to implement the full metering policy in the near future. Lack of metering undermines loss control, costing and pricing, and other conservation measures.

b. Meter reading procedures are completely carried out manually throughout Albania, which extends the possibility for potential types of errors that are reflected later in the customer bill.

c. There is an apparent lack of awareness of the importance of reliable water meters and meter accuracy at the utilities associated by a lack of legal framework to enforce meter calibration procedures. Meters should be recalibrated on a regular basis to ensure accurate water accounting and billing. Calibration provides a utility with valuable information on the accuracy of the quantity of water being supplied, leading to appropriate decisions on maintenance or replacement frequency.

d. Meter reading frequencies are all on a monthly basis. Although this has advantages for the utilities’ cash flow, this also represents an impressive workload and requires significant human resources.

4.2.6 Billing and Collection Management

4.2.6.1 Discussion and Comparative Overview

Billing and collection activities are at the core of generating revenue for the utility on the basis of the service provided. Moreover they are key areas of interaction between the utility and its customers and therefore a key issue for customer service. Further information is presented in Section 3.2.6.

In the conduct of the survey, the Consultant asked several questions related to the current procedures in billing and collection to determine the current situation in the Albanian water utilities.

As already discussed in the section on meter reading (see Section 4.2.5.) all responding utilities indicated to have monthly billing cycles. Regular billing leads to a continuous cash flow. However, it is recommended to review additional options to safeguard cash flow and yet reduce the (human/financial) resources required for monthly billing. One option could be quarterly billing and
Box 10– Example from Tirana Water Supply and Sewerage Utility

Billing and Collection Management
Tirana Utility operates a server-based Billing and Collection software with all information being stored in a primary database on a central server, which allows quicker computing times on remote workstations. The Billing and Collection system has been also installed at the four units of the company which report to the headquarters via intranet system. All tables in the billing software are directly linked to one another, allowing for direct conversion of information from the field being processed by the user, to all other related fields.

The bills are delivered to the customer premises by the meter readers. With the restructuring of the company the Senior Management was entirely focused to optimize the meter readers routes and to hold readers accountable for all data and information provided.

The customers are now offered a wide range of bill payment channels to include payment in person at collection/cashier offices, payment at postal services, payment through bank transfers and direct debiting to customer bank accounts.

Prior to finalizing the bills, the data should be reviewed for obvious inconsistencies. This is especially true due to the high degree of manual data handling discussed in the previous section. Therefore, the Consultant gathered information on how many utilities review the consumption data, to detect any obvious inconsistencies, during the billing process.

Figure 4-31 shows that according to the responses, 42 utilities conduct inconsistency checks on the consumption data. However, taking into consideration that only 32 utilities keep records of past meter readings in the customer data file, and only 19 have software which would be expected to allow detecting inconsistencies, this data should be questioned. Utilities may have misunderstood the question in the survey, since such practices require a certain level of computerization and/or dedication. Yet, such checks can be relevant to detect meter tampering and/or illegal consumption (e.g. if the consumption of a customer has decreased greatly without any reason). The establishment of such procedures, especially in utilities with appropriate billing modules for such functions, should be integrated.

The next aspect in the billing process is bill delivery. Basically there are two main options used in Albania. As Figure 4–32 indicates, 11 utilities have bills distributed by the postal service and 48 utilities have meter readers distribute the bills. Several utilities use both options.
Bills distributed should obviously be correct to avoid complaints. Moreover, bills need to be structured in an easily understandable way. In this regard, utilities may consider including an information section on the bill explaining the bill sections and how fees are calculated. Such information sections usually contribute to greater understanding of the bill, a greater transparency, and thus lower billing complaints.

According to the responses received from 50 utilities, 19 of these include an information section on their bills, whereas 31 utilities do not. These 19 utilities that have reported having an information section on their bill are all the utilities that have a dedicated Billing and Collection System.

Provision of good customer service includes offering options to customers so that they can choose what best suits their situation. This is true for contacting the utility, but also for how to pay the bill. Today, there are a series of payment options, which customers have come to expect. Therefore, they will tend to compare the options and the service provided by the water utility based on these options.

In this context the Consultant asked which payment options are offered by the water utilities in Albania, and the results are presented in Figure 4–34.
The data shows that all Albanian water utilities offer cash payment at a cashier office or customer service center. A large percentage (64%) offer payment by bank transfer. Only 14% offer direct debit by the bank, and only 12% use payment through post offices for bill payment. Overall, a wide range of payment options is presented, which should, at some point, be compared to the expectations and most used payment pathways of customers. In the experience of the Consultant, both payments through bank transfer as well as direct debit are payment options which are likely to be requested more often in the future.

All utilities, when asked, indicated that they inform their customers about tariff changes. However, the means of communicating these tariff changes differ. As the pro-active provision of information, especially on crucial aspects such as tariff changes can contribute to transparency and avoid complaints, the Consultant asked how utilities communicate tariff changes. The responses are presented in Figure 4–35.

This data indicates that 40 utilities use displays, 26 utilities use bill inserts and 14 use press releases. The data presented includes utilities using all three means as well as utilities using only one means. Overall 24 utilities use only one of the above, 22 utilities use 2 means, and only 4
utilities use all three means mentioned. That more than half of the utilities use 2 or more means for communicating this crucial information to customers is a good sign. However, a large percentage only uses one means, which in 14 cases refers only to public displays, possibly the most easily overlooked means.

4.2.6.2 Billing and Collection Management – Summary of Identified Gaps

a. Billing and Collection procedures are not always detailed or implemented.

b. In many utilities, there are no customized Billing and Collection Software, and many smaller utilities continue to function using manual billing and collection procedures.

c. A major weakness faced by most of utilities is related to the internal-communication between the billing offices and remote payment offices. All utilities seem to be in a very early stage of using intranet connections to transmit the daily data directly to the main billing server.

d. Utilities use only limited payment options, more focused on cash payments, and do not provide for a wide range of payment flexibility to make it easy for all customers to receive and pay their bills, and increase their satisfaction.

e. Utilities suffer from large amounts of old debts. This may also be due to too lenient responses in the case of late or non-payment. This leniency jeopardizes the financial viability of the respective utility.

f. Utilities do not perform any consistency checks on the customers’ consumption. This could be an important and valuable tool to detect meter tampering and other illegal activities.

g. Bills in most cases do not include an information section on current prices or on how the total billing amount is derived. This may lead to an increased number of misunderstandings and the impression of lack of transparency.

4.2.7 Service Interruption and Disconnection Management

4.2.7.1 Discussion and Comparative Overview

Although it is in the interest of the Utility to increase services and the number of service connections, service may be terminated either as an administrative enforcement action by the Utility, for lack of compliance by the customer with the terms of the Customer Service Contract, or by a request of the customer for a permanent or temporary termination of service. Non-paying customers are a burden especially for public service providers already having difficulty in coping with non-cost covering tariffs. In order to reduce the number of non-paying customers, it is therefore beneficial to have specific procedures in place to react in case of non-payment. Such procedures most often include notifications/payment reminders, disconnecting non-paying customers, and/or legal action bringing such customers to court.
Figure 4–36 shows the number of notifications sent to customers prior to disconnecting them. The responses indicate a wide range of up to 10 responses. However, most utilities send up to 3 notifications (20 utilities), or up to 2 notifications (12 utilities), which is comparable to international practices. Three utilities even opt for only 1 notification indicating that they are willing to crack down on unwilling customers and don’t hesitate to implement immediate action in case of non-payment.

According to the Consultant’s knowledge and based on the Albanian Water Code, Albanian water utilities are allowed and even obliged to suspend and/or disconnect the service in case of non-payment within the legal terms of financial obligations deriving from the Customer Service Contract. Nevertheless the Consultant asked whether utilities actually do disconnect non-paying customers, with the response presented in Figure 4-37.

Despite the legal authority to disconnect, 7 utilities indicate they do not disconnect. Nevertheless, 43 utilities responding that they disconnect is a surprisingly high number, especially compared to the experiences and practices in neighboring countries where disconnections are rarely put into practice. As many as 36 utilities indicated to having a dedicated task force to implement disconnections as presented in Figure 4–38.
Box 11- Example from Durres Water Supply and Sewerage Utility

Service Disconnection Management

Since June 2010 the Senior Management of Durres Utility is implementing a very aggressive Service Disconnections Action Plan to all customers that don’t pay or customers that are illegally connected to the water supply and sewerage network (mainly in suburbs areas).

Durres Utility is one of the fewest utilities in Albania that has made improvements in this direction which has resulted to increase in collection efficiency and reduction of Non-Revenue Water. Implementation of Service Disconnection and Follow –Up by a structured Task Force Team is the most challenging task which various times was associated with incidents or resistance from the delinquent customers and hit the news headlines several times. With respect to the implementation of service disconnection Strategy, Durres Utility was considered as “Best Practice” from the Benchmarking and Monitoring Directorate during its 5th Year Conference held in April 2011.

Figure 4–39 provides an overview of the number of disconnections per 1,000 connections. Overall, 32 utilities indicate to have conducted disconnections in 2010, again a surprisingly high number. Also, the range of disconnections per 1,000 connections is quite large from 1/1,000 up to 268/1,000.

These figures indicate that not only are procedures in place to deal with non-paying customers, but that the utilities seem to implement these procedures. At this point however, the Consultant has no access to data on old arrears of the utilities to judge the success of non-payment procedures as well as in preventing future non-payments.
Finally, Figure 4–40 gives an overview of the number of cases brought to court in 2010. Overall, 38 utilities indicated that they use legal action in case of non-payment, here again a surprisingly high number. Also, the range of cases is quite large from 1 up to 500 in 2010. Here it must be added that some utilities directly jump from notification letters to legal action. This may be in the case of customers in apartment blocks where disconnections are not feasible or also in cases where disconnections can only be carried out by excavation and physical disruption of the connection.

Figure 4-40 indicates that selected utilities seem to implement legal actions very aggressively, while other utilities, also indicating legal action as an option, have not brought any case to court.

### Figure 4–39: Disconnections Performed per 1000 Connections

<table>
<thead>
<tr>
<th>Utility</th>
<th>Disconnections per 1,000 connections</th>
</tr>
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<tbody>
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</tr>
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<td>Shkoder UK Sh.A</td>
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<tr>
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<td>68</td>
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<tr>
<td>Puke fshat</td>
<td>67</td>
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<tr>
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</tr>
<tr>
<td>Vau Dejes U Sh.A</td>
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</tr>
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<tr>
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<tr>
<td>Libohove UK Sh.A</td>
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<td>Divjake Sh.A U.</td>
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<tr>
<td>Gjirokaster (Q) UK sh.a</td>
<td>-</td>
</tr>
<tr>
<td>Kurbin U Sh.A</td>
<td>-</td>
</tr>
<tr>
<td>Kukes U Sh.A</td>
<td>-</td>
</tr>
<tr>
<td>Peqin UK Sh.A</td>
<td>-</td>
</tr>
<tr>
<td>Mirdite UK Sh.A</td>
<td>-</td>
</tr>
</tbody>
</table>
(23) or only 1 (3 utilities). This data seems impressive. At this point however, the Consultant has no data to judge the success of non-payment procedures for reducing payments in arrears or in preventing future non-payments.

4.2.7.2 Service Interruption and Disconnection Management – Summary of Identified Gaps

a. Largely, the Utilities fail to develop and enforce sound Service Disconnection Procedures associated with rigorous follow-up legal actions for customers that refuse to pay water bills. This is particularly true in cases when utilities have not yet started to negotiate Customer Service Contracts that outline the duties and responsibilities of both the utility and the customer regarding legal actions as result of non-payment.
b. There is an apparent lack of awareness for all groups of customers regarding the consequences and implications derived from non-payment of water bills.

c. The Service Disconnection Task Force Teams lack proper training and water supply system knowledge that restricts them from performing their duties. In addition, greater support and assistance from Local Government officials is essential.

4.3 Customer Service Level of Standard Profile Form

The data that were collected through the national survey were entered into a data base management system that was used for further processing and analysis to better determine the Sector Wide Analysis with respect to Customer Service for Water Utilities.

This database system contains 50 worksheets, one created for each individual utility with entire information stored as completed and submitted by them. The Consultant summarized all utility answers into one matrix that was used to facilitate various types of analyses, calculations and comparisons. In addition, to be able to provide a clear picture of the sector analysis, the Consultant also used the official data and several performance indicators from the Monitoring and Benchmarking Unit at the General Directorate of Water Supply and Sewerage. The entire database system will be transferred and installed at the Water Regulatory Authority to be used as the initial Baseline Assessment of Customer Service for all Water Utilities in Albania.

In addition, the Consultant, in full cooperation with the Water Regulatory Authority, has developed a **Standard Utility Profile Form**, which combines General Profile Information (i.e. the corporate structure of the utility, variety of services offered, numbers of connections by customer type, number of customers, degree and type of contracted services) with specific Customer Service type of information as generated by the Survey Analysis. The Customer Service Profile section of this form provides a list of selected key aspects which are considered more important for each Customer Service Functional Area in terms of procedures, operations or systems in place.

The Consultant used this Standard Utility Profile Form to personalize it for each Utility and complete them with the respective utility information. These “snap shot” forms will be later enriched and updated with information by the Water Regulatory Authority, once they follow-up with the process of development and implementation of Customer Service Guidelines.

The Standard Utility Profile Form is presented as Figure 4–41.
# Utility Profile Information Standard Form

## General Utility Profile Information

1. **Water Utility Name:**
   - [ ] Water Supply
   - [ ] Sewerage Service
   - [ ] Treatment Service
   - [ ] Storm Water

2. **Utility Code No.:**

3. **Types of Services provided by the Utility:**
   - [ ] Water Supply
   - [ ] Sewerage Service
   - [ ] Treatment Service
   - [ ] Storm Water

4. **Nature of Service Area:**
   - [ ] Urban
   - [ ] Rural
   - [ ] Both

5. **Status of Utility’s ownership:**
   - [ ] Central Gov.
   - [ ] Local Gov.
   - [ ] Other

6. **Total Number of population in service area:**

7. **Percentage of Service Coverage:**
   - [ ] Water
   - [ ] Sewerage

8. **Total Number of Connections:**
   - [ ] Water
   - [ ] Sewerage

## Specific Customer Service Profile Information

1. **Utility Customer Categories:**
   - [ ] Household
   - [ ] Private Entities
   - [ ] Budget Inst.
   - [ ] Industry

2. **Functions managed by the Customer Service/Sales Department:**
   - [ ] Meter Reading Management
   - [ ] Billing and Collection
   - [ ] Public Relation/Communication
   - [ ] Customer Complaints Management
   - [ ] Service Disconnection
   - [ ] Customer Service Contract
   - [ ] Company webpage management

3. **Outsourcing of any Customer Service Activity:**
   - [ ] Yes
   - [ ] No

4. **Options used for Customer Data Management:**
   - [ ] Manual
   - [ ] Microsoft Office Excel/Access
   - [ ] Specific Software Module (i.e. Billing and Collection)

5. **Application of Customer Service Contracts Approved by Regulatory Commission:**
   - [ ] Yes
   - [ ] Partially
   - [ ] No

6. **Conduct of Regular Customer Satisfaction Monitoring and Analyzing:**
   - [ ] Yes
   - [ ] Partially
   - [ ] No
   - Every 6 months
   - Every year
   - Every two years

7. **Implementation of Annual Public Communication/Promotion Plan:**
   - [ ] Yes
   - [ ] No

8. **Customer Complaint Tracking System format:**
   - [ ] Manual
   - [ ] Microsoft Office Excel/Access
   - [ ] Specific Software Module

9. **Categorization of customer complaints according to Customer Service Guidelines:**
   - [ ] Yes
   - [ ] No

10. **Meter Reading Management:**
   - Using paper documents
   - Using hand-held Electronic system
   - Automated Meter Readings/Remote Meters

11. **Bill Distribution Options provided:**
    - Meter Reader
    - Postal Service
    - Other

12. **Bill Payment Options provided:**
    - Cashier offices
    - Post offices
    - Payment by Bank Transfer
    - Direct Bank Debit

13. **Disconnection Procedures established and enforced:**
    - Yes
    - No

14. **Process/Outcome of cases in Court:**
    - Yes
    - No

## Utility Contact Information:

- **Utility Address:**
- **Office Telephone:**
- **Office Fax:**
- **Email address:**

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Figure 4–41: Standard Utility Profile Form
4.4 Mapping of Utilities according to Service level in selected functional areas

In the context of the situation analysis, the Consultant was asked to provide a mapping of the Albanian water sector according to the level of customer service provided. During the data analysis and interpretation regarding the service provision of the 50 responding water utilities, the Consultant found that often water utilities were good performers in one area and poor performers in another. Therefore the Consultant has, in coordination with the Water Regulatory Authority, decided to map the service level provision by selecting one aspect from several important aspects out of each functional area for which a mapping would provide interesting/helpful information and for which mapping is possible. For each key aspect selected, three levels of performance (good, acceptable, poor) were determined and depicted according to the traffic light color code (respectively green, orange, red). Structured in such way the mapping is more intended to present a trend of where the utilities are (are there many greens versus many reds?) and how consistent the individual performance of a utility is (is it always among the greens/reds, or does is vary from green to red and back).

For example, as presented in the Figure 4–42, to be able to define what constituted accurate customer database management it was determined to select the following three levels of performance by linking them to the current reported Billing System Procedures.

**Good:** Utilities that use a dedicated Billing and Collection Software provided that most of Customer Fields of Information are included and populated with data in such system.

**Acceptable:** Utilities that combine Excel/Access Applications which may be considered as a transition phase towards full electronic recording of customer information that can be easily migrated to a proper Customer Database later.

**Poor:** Utilities that maintain Customer information manually which prevents from proper analysis on customer information

The left side of the map (first two columns) presents a ranking of utilities based on the total number of connections registered and served, which can serve as a linkage for comparison between the results shown for each key aspect selected and the size of the utilities. What can be noticed from the map is that the big utilities (more than 20,000 connections) show good progress in moving towards proper recording and operation of Customer Database, the medium sized utilities (from 6,000 to 20,000 connections) are still considered in a transition phase while the small utilities (under 6,000 connections) continue to be far behind the good performers with respect to accurate customer data recording procedures. The same logic is also particularly true when considering the Management and Tracking of Customer Complaints where very obviously the big size utilities are enhancing the capacities of the customer database system to track and report complaints while the small size utilities

Another example of key aspects that was used to draw the mapping system is related to the Payment Options/Channels provided to Customers, for which as shown in the Figure 4–42, 10 utilities fall into the category of good performance level since they provide more than two payment options to customers, 23 utilities are in the range of acceptable performance level given that they provide only two payment options, and 17 utilities fall into poor performance level providing only one payment option. What can be interestingly observed from the map is that Durres Utility, the second largest company in Albania is listed in the category of poor
performance level offering only one payment option to customers focused on cash payments, and do not provide for a wide range of payment flexibility to make it easy for all customers to receive and pay their bills, and increase their satisfaction.

In addition to the key aspects of customer service functional areas, the map was also complemented by presenting a detailed ranking of utilities based on collection efficiency that is monitored routinely by the Benchmarking and Monitoring Unit and is directly related to the customer service operations and financial sustainability of the utilities. In most of the cases, the good performing utilities that have high collection efficiency level (over 80%) tend to be the same group of utilities which have established and enforced Service Termination Policy and Legal Follow up, while utilities that do not implement disconnections have poor collection efficiency. However as it can be noticed from the map utilities of Durres and Shkoder (big utilities), which have reported to implement disconnection measures and follow up remain still under unsatisfactory level of collection efficiency which can be explained from the fact that the termination policy measures are very recently established and implemented.

As shown in Figure 4–42 big, medium and small size utilities often change strongly depending on the respective customer service aspect being considered. As an example, Vlore Utility is a good performer regarding customer complaint management, but poor regarding PR activities or collection efficiency, and medium regarding the payment options provided. Therefore, the following mapping will provide some more information on the strengths and weaknesses of individual water utilities.
<table>
<thead>
<tr>
<th>Utility Name</th>
<th>No. of Conns.</th>
<th>Customer Data</th>
<th>PR</th>
<th>Customer Complaints</th>
<th>Payment Options</th>
<th>Service Disconnections</th>
<th>Collection efficiency</th>
</tr>
</thead>
<tbody>
<tr>
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<td>73,061</td>
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<td>Pogradec UK Sh.A</td>
<td>Tirane UK Sh.A</td>
<td>Pogradec UK Sh.A</td>
<td>Sarande UK Sh.A</td>
<td>Gjirokaster (F) U Sh.A</td>
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<td>Sarande UK Sh.A</td>
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<td>Bashaq Puke UK</td>
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<td>Rubik UK Sh.A</td>
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</tr>
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**Figure 4–42: Mapping of Utilities according to Customer Service Level Provision**
5 Conclusions, Gap Analysis and Specific Recommendations

5.1 Direction of Good Practice in Well-Performing Utilities

Over recent years, the emphasis in well-performing water supply and sewerage utilities has been placed on issues of demand responsiveness and the participation of the community and households in the design, payment and management of water supply and sanitation services. Cited in government policies and donor implementation strategies, these principles have led to the adoption of ‘bottom-up’ and “demand driven” approaches, while “top down” and “supply driven” systems of operation are no longer supported. These new concepts are about putting the water consumer, the customer, first.

Successful international water utilities, including a few water utilities in Albania, have found that one key to success is having a clear customer focus, underpinned by an ongoing commitment to raise standards and provide quality services. These companies recognize that sustained public support for programs can be achieved through customer-focused decision making, and carefully designed and implemented customer relations management programs. Developing and implementing comprehensive customer relations management programs is one way of institutionalizing the principle of “think customer first”.

Successful Customer Service oriented Programs are based on innovation and creativity, and are led or facilitated by senior management. The initiating and motivating role of senior managers, and importantly of the Manager of Customer Services, should not be underestimated. Establishing proper Utility Customer Service Management will only be considered a critical success factor in a utility’s long-term survival, if senior managers demonstrate involvement in terms of time, effort, commitment, persistence and visibility. The role of senior management should be one of “service oriented leadership”, as a facilitator or coach, rather than someone who “polices” customer oriented systems and procedures.

5.2 Conclusions Regarding Customer Service in the Albanian Water Utility Sector

Although positive examples of particular functional areas of customer service can be found in Albania, it must still be stated, based on the practices of well-performing utilities at the international level that the Albanian water supply and sewerage utility sector still has some way to go to reach the level of well-performing utilities in this critical area of utility management.

The average Albanian water utility, in general, tends to have more a conflict relationship with its customers rather than one based on partnership. For the Albanian water supply and sewerage utility sector to address the challenges it faces in its need to increase its corporatization and commercialization practices; move to a more regionalized service delivery structure; and increase the coverage, level and quality of services. To be able to justify and gain customer support for what will be significant increases in the unit cost of water supply and sewerage services in the future, the position of the customer in the order of priorities of water utility companies must change. As in most of the utilities in the developed countries, customer satisfaction must become a strategic objective and customer service a strategic element of the company.
It is often difficult to get the management of water supply and sewerage utilities, who have had to try to carry out their duties and responsibilities with underfunded capital investments, scarce resources for maintenance, and politically driven tariffs, to appreciate the importance of having a commercial orientation to their management practices. This is further driven by the fact that the services they provide exist in a natural monopoly environment, where the customer has no alternative choice. Compare this with the mobile phone business in Albania, where capital was available, and the customer, overtime, ended up with several choices. The commercial behavior and customer focus is dramatically different.

The water sector will always be a natural monopoly, but the customer, with the independent support of the Water Regulatory Authority, will have a greater impact on the behavior of the water utility sector. If the water utilities want the customer’s support on tariffs, they will have to earn it with services and focused attention.

The weaknesses or gaps in the sector, in terms of customer service, are detailed in this Report as they have been analyzed based on well understood functional areas of a well-performing utility. However, there is little likelihood that these weaknesses or gaps will be solved by the Albanian water supply and sewerage utility sector, even with training and investment in support systems, until there is a marked change in the way senior management views its customers, and the actions it takes to address the concerns and interests of its customers as the highest priority of the utility. As is often quoted, “Quality customer service is not a by-product of the utility's operations – it is the fundamental reason for the utility's existence”.

5.3 Functional Area Gap Analysis and Recommendations

The methodology used to identify gaps in this survey of customer service in the water supply and sewerage sector in Albania, was based on a full diagnosis provided by the findings of the Current Situation Analysis in Albania, and comparison with the International Best Practice Overview. This analysis highlighted the most relevant and significant differences between current international best practices and current practices in Albania, in order to derive final recommendations to improve the delivery of Customer Service of all water utilities to citizens of Albania. Additionally, the Consultant has conducted on-site visits and interviews, following the same structured survey questionnaire format, at selected water supply and sewerage utilities in Albania to form a clearer understanding on “Albanian Good Customer Service Practices”, which contributed to the formulation of the Water Utility Sector Recommendations.

The Consultant, with full consent and guidance from the Water Regulatory Authority, has prepared a detailed summary of the most critical apparent gaps for each Functional Area of Customer Service, and in parallel, provided for the most appropriate recommendations to address actions targeted to improve performance and achieve results.

This section on the Report addresses specific Gaps and Recommendations for each Functional Area of Customer Service, summarizing the most immediate actions to be followed by water utilities with full oversight by the Water Regulatory Authority.
### 5.3.1 Customer Service Organization and Staffing

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<thead>
<tr>
<th>Summary of Identified Gaps Based on Review of Situation Analysis</th>
<th>Future Recommendations Based on International Best Practice Overview</th>
<th>Level of Priority and Timeframe</th>
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<tr>
<td>o The majority of water utilities in Albania show deficiencies in the organizational structure and set-up of their Customer Service Departments, such that they need to comprise all customer service functions bundled within an organizational unit and to effectively manage the service delivery.</td>
<td>o Formation of a separate organizational unit dealing with customer related topics at all water utilities. In the framework of developing/updating their Business Plans, all water utilities are encouraged to review the existing organizational structure and to address the creation of a separate organizational unit responsible to deal with key customer related functional areas and activities.</td>
<td>Short-term priority No capital investment needed. Year: 2012</td>
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<td>o Bundling key customer related activities, such as Meter Reading Management, Billing and Collection, Customer Complaints/Feedback Management, Service Disconnection and Re-connection and Customer Service Contract/New Connection in such a customer service department.</td>
<td>Short-term priority No capital investment needed. Year: 2012</td>
</tr>
<tr>
<td></td>
<td>o The path towards application of different Private Sector Participation models focused on key areas of Customer Service Functions is almost non-existent.</td>
<td>o Each utility should assess the potential for outsourcing activities. These may include meter replacement, meter reading, PR activities, etc.</td>
</tr>
</tbody>
</table>
| Customer service department heads are not always adequately qualified. | Ensure that customer service departments are headed by appropriately qualified and trained staff. | Short-term priority  
No capital investment needed.  
Year: 2012 |
|---|---|---|
| From experience and the site visits, the Consultant has gained the impression that detailed job descriptions are lacking in the customer service areas. | This comprises the target that detailed job descriptions are available for various types of customer service staff and that adequately qualified staff is selected for performing these activities. This includes department heads, as well as customer service office and field staff. Job descriptions and allocation of responsibilities will also ensure that over- and understaffing are avoided. When preparing the Customer Service Guidelines Manual, the Water Regulatory Authority should consider including samples of job descriptions and qualification requirements for various types of customer service staff that will help and guide the utilities to design their own Customer Service Department Job descriptions. | Short-term priority  
No capital investment needed.  
Year: 2012-2013 |
| There are no provisions for Performance Improvement Initiatives within the Customer Service Departments and no Routine Staff Training Assessment Actions in place, as well as clear Staff Development Scheme to enhance Staff Skills and Qualifications. | Institutionalize staff development and staff training. This includes regular training needs assessments as well as keeping track of trainings conducted for each staff. Furthermore the Water Regulatory Authority is encouraged to lobby with the Central government institutions to further a national program of training and certification, with training target requirements at all water utilities. | Mid-term priority  
Need for Technical Assistance and coordination with the implementation of National WSS Strategy Action Plans. |
Motivation strategies to improve customer service staff performance and attitude seem to be missing in a majority of the utilities. The Consultant suggests that each utility assesses the potential for the implementation of performance based remuneration schemes and other staff motivation means.

In some cases, the Customer Service departments are not open to customers during the time of a normal business day, but only in short small time periods. Customer service departments should open, at least, during the hours of a normal business day.

| Motivation strategies to improve customer service staff performance and attitude seem to be missing in a majority of the utilities. | The Consultant suggests that each utility assesses the potential for the implementation of performance based remuneration schemes and other staff motivation means. | Short-term priority
No capital investment needed.
Year: 2012-2013 |
---|---|---|
| In some cases, the Customer Service departments are not open to customers during the time of a normal business day, but only in short small time periods. | Customer service departments should open, at least, during the hours of a normal business day. | Short-term priority
No capital investment needed.
Year: 2012-2013 |
### 5.3.2 Customer Database Management

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<tr>
<th>Summary of Identified Gaps Based on Review of Situation Analysis</th>
<th>Future Recommendations Based on International Best Practice Overview</th>
<th>Level of Priority and Timeframe</th>
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<tr>
<td>o The level of computerization and the use of internal office network communication systems in the Customer Service Offices is considered not sufficient. Moreover, the concept of intranet connection with remote cashier offices is very rarely implemented.</td>
<td>o Utilities should step by step increase the computer-based activities and their level of computerization. This is explicitly relevant for all customer service related fields.</td>
<td>Mid-term priority Technical Assistance needed. Year: 2012-2014</td>
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<td>o Overall, the Utilities lack the implementation of a properly designed Customer Database Management System. A great amount of information is still managed manually, which increases the level of errors and decreases communication with customers.</td>
<td>o Utilities should, also introduce a specifically designed customer database management system which will help reduce human-induced errors.</td>
<td>Mid-term priority Technical Assistance needed. Year: 2012-2014</td>
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<td>o The Customer Service staff has not invested in enhancing the use of several Customer Information Fields even in the cases when these fields are made available by the Billing and Collection Database Systems. The fields of information and the degree of information contained in the Customer Database are crucial. Many utilities do not even record the most important basic data on their customers.</td>
<td>o Utilities should keep standard pieces of information on each customer and each connection in their database. Examples are given in the Best Practice Overview and are also used by the best performing utilities in Albania such as Tirana, Korca, Shkodra etc. In the framework of designing the Customer Service Guidelines, the Consultant recommends that the Water Regulatory Authority might consider setting out mandatory data fields for all Albanian utilities and also name optional fields, which may be relevant for specific utilities.</td>
<td>Short-term priority No capital investment needed. Year: 2012-2013</td>
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Lack of physical customer referencing is a major handicap. The need for introduction of GIS/Mapping procedures cannot be underestimated.

Customer data linked with GIS maps can significantly enhance the work of the utilities. Therefore, this is recommended especially for medium and large utilities. Furthermore, the Consultant recommends that the Water Regulatory Authority coordinate with the General Directorate of Water Supply and Sewerage of Albania to jointly assess and plan establishing a general National GIS system for all Albanian Water Utilities.

The application of Customer Standard Forms to include Customer Service Contract, Customer Complaint Form, Customer Request for new Connection Form, Request for Termination of Service etc, is missing in the majority of the Utilities.

It is recommended that all water utilities apply the Customer Service Contract developed by the Water Regulatory Authority, as soon as possible, as this is a valuable tool for further customer communication and interaction. It is especially valuable as further legal basis for service disconnection in the case of non-payment.

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<td>Short-term priority</td>
<td>No capital investment needed.</td>
<td>Year: 2012-2013</td>
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### 5.3.3 Public Information and Communication / Customer Feedback Management

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<th>Summary of Identified Gaps Based on Review of Situation Analysis</th>
<th>Future Recommendations Based on International Best Practice Overview</th>
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<tr>
<td>o There are no Public Relations Strategies instituted for marketing of utility services provided and assist in delivery of better services. With few exemptions, it can generally be stated that Public Relations and Communication within Albanian Water Utilities is not a structured and institutionalized function in the Customer Service Department.</td>
<td>o Public Relation and Communication Management need to be established as a separate function within the Customer Service Department of each mid/large size water utility and staffed with the adequate, qualified personnel.</td>
<td>Short-term priority No capital investment needed. Year: 2012-2013</td>
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<tr>
<td>o The Utilities utilize only few basic means of communication limited to desk officer or telephone line, which restrict significantly the interaction with customers and the opportunity for the customers to form an opinion or provide any feedback about the way the utility operates and deliver its services.</td>
<td>o All water utilities need to broaden their ability to utilize more means of communication to increase the interaction with customers and to strengthen relationship with media, stakeholders and other public partners.</td>
<td>Short-term priority No capital investment needed. Year: 2012-2013</td>
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<th>Summary of Identified Gaps Based on Review of Situation Analysis</th>
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<tr>
<td>o The utilities lack the development and implementation of a proper Annual Plan for Public Relation Activities which would include a detailed budget cost-breakdown and time line for each activity based on Utility Strategic Goals.</td>
<td>o All utilities should commit to budget for implementation of Public Relation and Communication activities as part of their annual operations and maintenance budget forecast, and the Water Regulatory Authority should make it specific review issue during tariff adjustment negotiations.</td>
<td>Short-term priority No capital investment needed. Year: 2012-2013</td>
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<td>Procedures to collect, analyze and monitor Customer Feedback are non-existent in all utilities.</td>
<td>Utilities should, step-by-step start to periodically collect, analyze and report Customer Feedback by using several standard tools like customer satisfaction surveys, questionnaires, enquiry counters etc.</td>
<td>Mid-term priority</td>
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<td>The WRA has stipulated in its new Tariff-Setting Guideline that utilities with more than 50,000 customers must conduct Public Hearings. Guideline should define some standards how these meetings should be conducted and customer feedback recorded.</td>
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<td>Short-term priority</td>
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### 5.3.4 Customer Complaints Management

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<tr>
<td>o In general, the Utilities lack the development and implementation of proper procedures or policies on how to manage Customer Complaints. The utilities do not maintain monthly data on the total number of complaints and perform any analysis or evaluation of Customer Complaint trends.</td>
<td>o It is strongly recommended that each utility introduce standard procedures for complaints management and reporting. In this context it is suggested that the Water Regulatory Authority include a particular section in the General Guidelines for Customer Service on complaints management.</td>
<td>Short-term priority No capital investment needed. Year: 2012-2013</td>
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<td>o The systems used to record, file and track customer complaints until final resolution are inefficient in the majority of cases, which result in lack of monitoring, analyzing, ranking of customer complaints, by category, and focus on corrective technical and administrative measures.</td>
<td>o In order to use complaints as tool for identifying potential for improvement, it is strongly recommended that the utilities develop a set of sub-categories (see Best Practice Overview as example) to allow for further monitoring and analysis of complaints. Again, it is suggested that the Water Regulatory Authority address this issue in its Guidelines and recommend a standard set of categories for all utilities to which additional categories may be added, but not subtracted.</td>
<td>Short-term priority No capital investment needed. Year: 2012-2013</td>
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<td>o The Front Line/Customer information Staff are not empowered or trained to effectively manage customer complaints and be able to balance fairly the interests of the utility with those of the customer. No training was ever implemented to strengthen the attitudes and communications skills and heighten the staff's awareness of the special needs of customers from different cultural, economic or educational backgrounds.</td>
<td>o Front desk and phone operator staff should receive regular training on communication methods, mediation tactics etc. These requirements should also be part of the position descriptions.</td>
<td>Mid-term priority Initial Technical Assistance needed. Year: 2013-2015</td>
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### 5.3.5 Meter Reading Management

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<tr>
<td>o The meter coverage throughout the country remains very low. Source and service metering are key components to a successful water use efficiency program. Utilities are largely facing the great challenges to increase meter coverage for all customer categories and to coordinate financial support to be able to implement the full metering policy in the near future. Lack of metering undermines loss control, costing and pricing, and other conservation measures.</td>
<td>o Full meter coverage has substantial benefits for the utilities. Therefore it is of paramount importance that utilities increase their meter coverage within the short-to medium-term. Due to the extensive costs associated with this action, it is recommended the General Directorate of Water Supply and Sewerage in full consistency with the Master Plan Project could have a key role in the tendering and procurement of large volumes of water meters in order to considerably reduce the unit price for the benefit of the Albanian customers.</td>
<td>Mid-term priority Need for Technical Assistance and coordination with the implementation of National WSS Strategy Action Plans. Year: 2013-2015</td>
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<td>o Meter reading procedures are completely carried out manually throughout Albania, which extends the possibility for potential types of errors that are reflected later in the customer bill.</td>
<td>o It is moreover highly recommended to switch to handheld devices for meter reading in order to reduce copying errors as well as to conduct quick consistency checks of the new meter reading. The Consultant is aware of the cost factor associated with this recommendation but also can evidence the time efficiency of data transfer and error reduction.</td>
<td>Mid-term priority Initial Technical Assistance needed. Year: 2013-2015</td>
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There is an apparent lack of awareness of the importance of reliable water meters and meter accuracy at the utilities associated by a lack of legal framework to enforce meter calibration procedures. Meters should be recalibrated on a regular basis to ensure accurate water accounting and billing. Calibration provides a utility with valuable information on the accuracy of the quantity of water being supplied, leading to appropriate decisions on maintenance or replacement frequency.

- It is recommended to install meter calibration benches at large utilities to whom then other small utilities may outsource their meter calibration. Moreover, it is recommended that the Meter Inspection Directorate at the Ministry of Public Works and Transport actively inform utilities about meter calibration, meter calibration periods (legal basis) and also verifies their implementation.

- Meter reading frequencies are all on a monthly basis. Although this has advantages for the utilities’ cash flow, this also represents an impressive workload and requires significant human resources.

- The utilities are encouraged to evaluate the potential implementation of other meter reading frequencies while maintaining sufficient cash-flow with the aim of reducing the resources required for monthly meter reading. Alternatives are bi-monthly or quarterly meter reading, possibly with interim payments based on past consumption.
### 5.3.6 Billing and Collection Management

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<th>Future Recommendations Based on International Best Practice Overview</th>
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<tr>
<td>o Billing and Collection procedures are not always detailed or implemented.</td>
<td>o Billing and Collection procedures should be detailed, staff should be trained in implementing them, and implementation should be verified by the utility management</td>
<td>Mid-term priority Initial Technical Assistance needed. Year: 2013-2015</td>
</tr>
<tr>
<td>o In many utilities, there are no customized Billing and Collection Software, and many smaller utilities continue to function using manual billing and collection procedures.</td>
<td>o It is recommended that at least the large and medium-size utilities introduce specific billing and collection software and phase out manual operations. Smaller utilities can also access the use of fairly simplified software or seek to outsource this service as the service industry develops.</td>
<td>Mid-term priority Technical Assistance needed. Year: 2013-2015</td>
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<tr>
<td>o A major weakness faced by most of utilities is related to the internal-communication between the billing offices and remote payment offices. All utilities seem to be in a very early stage of using intranet connections to transmit the daily data directly to the main billing server.</td>
<td>o It is recommended to spend significant effort and resources in the appropriate customization of the software and – where possible and beneficial – to link the billing software to other software applications (financial management, management information system, customer database / customer interaction modules, etc.) within the utility to enable a rapid and automated data transfer.</td>
<td>Long-term priority Technical Assistance needed. Year: 2014-2017</td>
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<td>o Utilities use only limited payment options, more focused on cash payments, and do not provide for a wide range of payment flexibility to make it easy for all customers to receive and pay their bills, and increase their satisfaction.</td>
<td>o It is recommended that utilities introduce additional payment methods. Bank transfer and direct debit are modern banking tools, which are often easier for the customers and also reduce workload for the utility.</td>
<td>Short-term priority No capital investment needed.</td>
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Utilities suffer from large amounts of old debts. This may also be due to too lenient responses in the case of late or non-payment. This leniency jeopardizes the financial viability of the respective utility.

Payment notifications are recommended for customers not responding to the original invoice. It is recommended to send 1 to a maximum of 2 notifications to late paying customers, prior to announcing further steps (e.g. disconnection, legal action).

Utilities do not perform any consistency checks on the customers’ consumption. This could be an important and valuable tool to detect meter tampering and other illegal activities.

Regular consistency checks of meter readings are recommended as an additional tool to determine potential irregularities (meter tampering, etc.). It is best to conduct these directly during the meter reading process or at least following the data transfer to the customer database / billing system.

Bills in most cases do not include an information section on current prices or on how the total billing amount is derived. This may lead to an increased number of misunderstandings and the impression of lack of transparency.

Bills should be set up in a way that all relevant information can easily be seen by the customer. This may include an additional information section on how to read the bill. Therefore, it is recommended to inform each customer about changes in topics such as meter reading, billing cycle, tariffs, etc. Such information could be distributed together with other regular customer information such as customer newsletter, bills, etc.
### 5.3.7 Service Interruption and Disconnection Management

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<tr>
<td>Largely, the Utilities fail to develop and enforce sound Service Disconnection Procedures associated with rigorous follow-up legal actions for customers that refuse to pay water bills. This is particularly true in cases when utilities have not yet started to negotiate Customer Service Contracts that outline the duties and responsibilities of both the utility and the customer regarding legal actions as result of non-payment.</td>
<td>Service disconnection procedures and action plans should be clearly developed and implemented by each water utility and the customer should be notified up-front.</td>
<td>Short-term priority No capital investment needed. Year: 2012-2013</td>
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<td>There is an apparent lack of awareness for all groups of customers regarding the consequences and implications derived from non-payment of water bills.</td>
<td>It is strongly recommended that water utilities carry out awareness campaigns or public hearings to inform the customers about their duties and responsibilities regarding the payment of water bills and provision of water supply services as stipulated in the Customer Service Contract.</td>
<td>Short-term priority No capital investment needed. Year: 2012-2013</td>
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<td>The Service Disconnection Task Force Teams lack proper training and water supply system knowledge that restricts them from performing their duties. In addition, greater support and assistance from Local Government officials is essential.</td>
<td>The Service Disconnection Task Force Teams should be properly trained to perform “on-site service disconnection”, communicate with the customer, and maintain the adequate reports/forms regarding the actions taken. Based on the findings of “on-site visits”, where good examples of Disconnection Practices are in place, the Consultant recommends that the utilities cooperate with each other to exchange experience and cross-training related to Service Disconnection actions.</td>
<td>Mid-term priority Need for Technical Assistance and coordination with the implementation of National WSS Strategy Action</td>
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<td>o It is strongly recommended to analyze the legal framework and to lobby – if possible at a national level – for the possibility of implementing service disconnections in case of non-payment.</td>
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</tbody>
</table>
5.4 Summary

The study and the recommendations will be used as a situation analysis and inputs for the future preparation by the Water Regulatory Authority of standards to be introduced in all Albanian Water Supply and Sewerage Utilities. With the support of GIZ, the WRA plans to develop a Customer Services Guideline, the objective of which is to set out standards and procedures to ensure that customers (i) receive safe, affordable, and reliable water and wastewater services, (ii) have access to information about the services they receive, and (iii) have recourse for questions and complaints against the service provider, where applicable. The Customer Service Guideline will be complementary to the Service Agreements/Model Contract, already developed by the WRA, which sets out a framework of rights and obligations of consumers and service providers vis-à-vis the water and wastewater services provided. The Guideline will be designed to accommodate the wide range of operating conditions of the service providers in Albania and will be meant as a set of requirements that every WSP can eventually adhere to.
Annex A – “Short Descriptions” of Best Practices (Selected International Utilities)

This Annex provides the short descriptions of the selected International Utilities about among others its respective history and services provided. The description of these Utilities representing the International Best Practices are presented below:

**Kommunale Wasserwerke Leipzig (KWL)- Germany**

The public water utility Leipzig (Kommunale Wasserwerke Leipzig GmbH, KWL) is one of the largest water and wastewater utilities in Germany. The KWL serves around 628,000 people in the region of Leipzig, covering the urban agglomeration and the surrounding communities. Its experience in water and wastewater management in the Leipzig area reaches back well over 100 years. KWL supplies around 32.5 million m³ of potable water every year, while roughly 33 million m³ of wastewater are treated. Annual turnover from the water and wastewater services is about 139 million EURO. Today, KWL operates a total of 5 water treatment works and 5 wastewater treatment plants, the largest of which has a treatment capacity of around 120,000 m³ per day. The length of the water distribution amounts to 3,304 km, including pipe diameters from DN 80 to DN1200. The length of the sewerage system equals 2,751 km; it includes 166 wastewater and storm water pumping stations, as well as 109 storm water treatment (settlement) facilities. KWL is responsible for all operation, maintenance and repair services related to the water supply utilities and networks, as well as those related to the wastewater disposal systems.

The number of connections (drinking water) served is roughly 80,000, which includes 4,500 non-domestic customers. Approximately 100% of the customers are metered. The collection rate well exceeds 90%.

KWL currently employs 543 highly skilled professionals to fulfill all obligations from the management contract that exists between the municipality of Leipzig and the company. The management contract comprises all aspects of the technical and commercial management of the water and wastewater system, including metering, billing, revenue collection and investment planning.

Since 1990, KWL has successfully undergone transformation from a formally centrally structured water distribution agency in the socialist former GDR (with hierarchical structures, highly subsidized tariffs and high rates of Non-Revenue Water) to a modern, market-based and customer-faced company with cost-covering prices and modern management tools. KWL is regularly participating in various technical and commercial benchmarkings on a regional, state and national level.

**Chania - Greece**

The Municipal Enterprise for Water and Sewage of Chania (D.E.Y.A.X.) was founded in 1981 in order to undertake the responsibility for the potable water system, the sewage and the
rain collection system, as well as the wastewater treatment plant for the city of Chania. The legal entity of the enterprise is a private company, beneficial to the public and of non-profitable character. All the capitals of the Enterprise belong to the Municipality of Chania. The administration board consists of eleven members, nine of whom are nominated by the City Council (six City Council members and three citizens), one from a social organization and one representative elected by the employees. The Enterprise is a public equivalent body in the interpretation of the EU legislation on public procurement because: (1) It was established for the specific purpose of meeting needs of general interest, (2) It has a legal personality and (3) It has an administrative board whose more than half members are appointed by local authorities (Municipal Council). The total staff of the enterprise as of 31/12/2010 was 110 employees.

The **potable water system** with a distribution network of about 220 Km in length covers the needs of all the citizens of the Municipality of Chania, some of the citizens of the former Municipality of Therissos and of several military units. In total there are over 33,700 consumer water meters connected to the potable water system, which distributed during 2010 over 8,5 million m$^3$ of water.

The **sewage collection system** with a length of 140 Km, serves the municipality of Chania and the former Municipality of Therissos, whereas the wastewater treatment plant treats the sewage of Chania, Therissos, Akrotiri, Souda, Eleftherios Venizelos and the septage from the broader region of Chania. As for the **rain collection system** with a length of about 50 Km, it basically covers and protects from flooding the area of the city of Chania and its adjacent surroundings. The **wastewater treatment plant** can treat sewage from 127,000 people equivalents, covering the needs of the citizens of Chania and to a large extent the needs of citizens in the former municipalities surrounding the city of Chania. The wastewater treatment is implemented with an activated sludge system and the sludge treatment is implemented with anaerobic digestion. In 1991 DEYAX established a **Water & Wastewater Quality Control Laboratory**, with a wide range of activities, such as the regular water quality control on a daily basis (chemical and microbiological analyses in the network as well as in the springs), the control of the operating parameters of the Wastewater Treatment Plant (influent and effluent quality monitoring), the cooperation with other departments of the company in order to detect and resolve any quality problems occurring in the water network, the control of the industrial wastes and sewage, as well as controlling the quality of the water from other municipalities of the Regional Department of Chania.

Currently DEYAX is undergoing significant structural changes. Within the next months DEYAX will significantly extend its area of services and supply an additional 40,000 population equivalents in the 6 former municipalities of Akrotiri, Souda, Keramia, Eleftherios Venizelos, Therissos and Nea Kydonia, which along with the former municipality of Chania comprise today the new municipality of Chania (In simple terms 7 former municipalities have been united to 1 new "big" municipality). In this context the customer service department is currently being reorganized accordingly, along with the rest of the Departments and will take its final legal and operational form within the next two months. The information shown in the following represent the current state of DEYAX.
The city of Durango was founded on July 8, 1563 at a time where the city had 7,400 inhabitants. The streets were traversed by canals that brought water from springs to the city for the watering of gardens and domestic use. In 1900 the city already had 30,100 inhabitants.

In 1969 the Federal Board of Water and Sewerage was created which then entailed the formation of a State Board of Water and Sewerage (JEAP). With regards to Sanitation 6 wastewater treatment lagoons were constructed, located to the northwest of the city where nowadays is located the Wastewater Treatment Plant. In 1989 a National Water Commission was established with one of its purpose being to delegate responsibilities for water and wastewater management to the respective municipalities. In 1990 the Municipal Water and Sewerage utility (SIMAP) was established in Durango, later called the Decentralized System of Water Supply and Sewerage (SIDEAPA). Since 2005 the utility is called “Aguas del Municipio de Durango, AMD”, Water utility of the Municipality of Durango.

Currently AMD operates among others 87 deep wells which have a pumping capacity of 2,859 liters per second, and where 2,487 liters are extracted per second (a volume of 78,430,032 m³/year). Of the 137,260 domestic connections currently 92,340 are metered (~67%). Moreover there are 7,803 commercial and 318 industrial connections.

Scottish Water – Scotland/UK
Scottish Water operates Scotland’s publicly owned network of pipes, mains, and treatment works. It acts as the wholesaler in the market, selling water and sewerage services to suppliers. Scottish Water provides Water and Wastewater services to the whole of Scotland. In so doing Scottish Water plays a critical role to play in Scotland’s Economy and making Scotland a better place. Scottish Water serves 5 million customers and produces 844 million liters of water every day. It operates 280 water treatment works and more than 1800 waste water treatment works. The water network has over 29,000 miles of water pipes. Scottish Water has a turnover of ~£1 billion and is the 4th largest water services provider in the UK. Scottish Water employs over 3,500 staff.

Services To Household Customers
Household customers in Scotland are supplied by Scottish Water for water and sewerage services. Scottish Water is a publicly-owned business, answerable to the Scottish Government and the people of Scotland. Charges are billed and collected on Scottish Waters behalf by 32 local Councils by virtue of a statutory order and service level agreements, effectively on an agency basis. Scottish Water serves 2.2 million households, supplying around 2.3 billion liters of water every day and takes away nearly 1 billion liters of waste water.

Services to Business Customers
The Water Services etc (Scotland) Act 2005 established a framework for competition for Business customers. It required the separation of Scottish Water’s wholesale services from its retail function. It also allowed new licensed suppliers to compete in a retail market for business
customers. Scottish Water received the 2011 “Best customer satisfaction strategy award” by the Institute of Customer Service (www.instituteofcustomerservice.com).

**Yarra Valley Water - Australia**
Yarra Valley Water is the largest of Melbourne’s three retail metropolitan water utilities, providing water and sewerage services to more than 1.6 million people and more than 50,000 businesses in the northern and eastern suburbs. Owned by the Victorian Government, their activities are overseen by an independent board of directors. As a retailer, they buy bulk water from Melbourne Water. This water is mostly harvested from protected mountain catchments. They are also responsible for taking away sewage for treatment. Most of the sewage is transferred to Melbourne Water’s Eastern or Western treatment plants. The balance is treated at their nine regional plants, several of which produce recycled water for use in new homes or for the irrigation of sports-fields or open space.

YVW owns and manages assets and infrastructure valued at more than $3.2 billion and maintains and operates more than 18,000 kilometers of water and sewer mains. Its license area covers around 4,000 square kilometers YVW strives to provide customers with the highest-quality water. Its commitment to customers has been internationally recognized and they are dedicated to delivering all of their services within the carrying capacity of nature.

Yarra Valley Water has been held up as a global leader in water utility customer service, in a study by the American Water Works Association Research Foundation (AwwaRF). Yarra Valley Water was the only non-American utility included in the 18-month study, titled ‘Benchmarking Water Utility Customer Relations Best Practices’. The Melbourne-based utility was classified as a ‘best performer’ in seven of the eight customer service functions benchmarked in the study, such as billing and metering.

**Acosol - Spain**
ACOSOL SA was created in 1994 with the aim of optimizing water supply service management and the integrated sanitation of the Western Costa del Sol. In legal terms, it is a public company owned by the Association of Municipalities of the Western Costa del Sol, composed of eleven members: Torremolinos, Benalmadena, Fuengirola, Mijas, Ojén, Marbella, Istán, Benahavís, Estepona, Casares and Manilva.

The Association has a president, elected by the twenty two members that comprise the Management Committee, eleven mayors and eleven councilors of the towns involved. Its headquarters are in the municipal district of Marbella, the geographical centre of a region which stretches along almost 100 kilometers of coastline and also encompasses neighboring localities situated in the surrounding hillsides. ACOSOL is now a streamlined organization with a totally transparent management, a democratically-elected executive and the aim of providing a wholly satisfactory service, in addition to overseeing the distribution of water and Integrated Sanitation to the Western Costa del Sol.
ACOSOL has two basic activities: supply and sanitation. ACOSOL’s business involves taking water from the reservoir of La Concepción (in Istán) and the Desalination Plant of the Costa del Sol, located in Marbella, to the townships and urbanizations that request it. It is also responsible for cleaning wastewater so that it reaches the sea in perfect condition and can be safely used on golf courses and in gardens. This area of the Costa del Sol has the unusual feature of having a significant variation in the volume of its population, which is as much as 1,200,000 people at certain times of the year. This figure derives from holiday periods and is always higher than the nearly 500,000 registered inhabitants in the different townships because of today’s residential tourism which includes many residents who are not officially registered.

In 2009, ACOSOL supplied 59.4 cubic hectometers of drinking water, from the Costa del Sol Desalination Plant and from the reservoir of La Concepción on the Río Verde, the maximum operational volume of which is 56.91 cubic hectometers, with contributions from the rivers Verde, Guadaiza, Guadalmina and Guadalmansa. Of these, a sixth was intended for individual Domestic Supply Service while the remainder was for large-scale consumers. Water is brought to the Drinking Water Treatment Station (E.T.A.P), and from there two pipelines take it through the East to the Rojas Pumping Station in Torremolinos, and to the boundary of the Manilva District with the province of Cádiz in the West. In terms of waste water purification, ACOSOL is responsible for a strip of nearly 100 kilometers of coastline, entirely devoted to the tourist industry which explains why this service is so important. The infrastructure consists of seven water purification plants which, in 2009, purified some 54.8 Hm³ of which 6.8 Hm³ (13.0 %) was recycled. Future forecasts are that 24 Hm³ will be recycled, enabling a population of 270,000 inhabitants a year to be supplied.

All this activity is the responsibility of a team comprising over 400 staff, including administration, management, higher and standard technicians, specialists and machine operators, involved in the maintenance and operation of the water supply and purification networks.

Pawtucket Rhode Island - USA

The Pawtucket Water Supply Board (PWSB) is a water supplier that serves a population of approximately 100,000. The retail service area includes the Cities of Pawtucket and Central Falls and the Valley Falls section of the Town of Cumberland. The PWSB owns and operates the water systems in Pawtucket and Valley Falls, and the City of Central Falls. The water resources of the PWSB consist of both surface water and groundwater within the Abbott Run watershed, a tributary of the Blackstone River.

The PWSB has decommissioned its 1938 water treatment facility in Cumberland and has been producing potable water at its new state-of-the-art treatment facility since March 19, 2008. The new treatment facility includes a new raw water pump station capable of pumping 26 million gallons per day (mg/d). After treatment, water leaves the pump stations through a network of 12, 16, 20, 24 and 36 inch diameter water transmission mains to all parts of the PWSB system, much like the spokes on a wheel. Smaller distribution mains distribute the water to all areas of the PWSB system. In all, there are approximately 267 miles of transmission and distribution water mains in the PWSB system.
The pipelines installed before 1958 are constructed of unlined cast iron (pipe lined with cement was not installed until after 1958). The PWSB has accelerated the program of renovating these older mains by cleaning them to bare metal and applying a cement coating to prevent further rust problems. Mains older than 1920 are being replaced. Over 160 miles of main renovation and replacements have been completed, with approximately 38 miles of main scheduled for renovation by 2017 to complete the system. The PWSB system has approximately 1900 fire hydrants and 6,000 line valves. These are replaced as needed with the main renovation program, or on an emergency basis if needed.

There are approximately 22,200 customer service connections in the PWSB distribution system. Each service connection has a service line, curb stop and meter. In the PWSB system, the PWSB owns and is responsible for the repair and replacement of the portion of the service line within the public right of way, generally up to and including the curb stop. The PWSB owns all of the water meters which are two inches or smaller. The PWSB has a staff of 53 employees that administers, operates, and maintains the water system.

The PWSB has a Board of Directors and is a semi-autonomous extension of the City of Pawtucket. It is an enterprise fund agency; no subsidization exists between the City and the PWSB. Rates are determined by the PWSB Board and are subject to the approval of the RI Public Utilities Commission (PUC) after a thorough examination and review by the Division of the PUC and the State Attorney General's office which acts as an advocate for the rate payer.
ANNEX B – “GOOD EXAMPLES” IN THE ALBANIAN WATER SECTOR (IN-COUNTRY CASE STUDIES)

The situation baseline presented in the previous Sections of this Report provides a thorough analysis regarding the level of customer services as being provided by fifty (50) water utilities throughout Albania. The Consultant had the chance to assess the data provided by each water utility and create an understanding on the level of the customer services as provided by them. The Consultant has observed that the majority of the utilities that have shown some improvements in the institutionalization and operations of Customer Service were mainly utilities which received donor-financed Technical Assistance with an element of institutional capacity building.

The General Directorate of Water Supply and Sewerages provided the Consultant with the following list of utilities which were part of Technical Assistance and Institutional Programs implemented during the last 7-8 years.

<table>
<thead>
<tr>
<th>Water Utility</th>
<th>Technical Assistance- Capacity Building Program</th>
<th>Period / Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lezhe</td>
<td>World Bank-4 Cities Management Contract</td>
<td>2003-2008</td>
</tr>
<tr>
<td>Durres</td>
<td>World Bank-4 Cities Management Contract</td>
<td>2003-2008</td>
</tr>
<tr>
<td>Sarande</td>
<td>World Bank-4 Cities Management Contract</td>
<td>2003-2008</td>
</tr>
<tr>
<td>Fier</td>
<td>World Bank-4 Cities Management Contract</td>
<td>2003-2008</td>
</tr>
<tr>
<td>Kavaje</td>
<td>KfW-Management Contract</td>
<td>2002-2006</td>
</tr>
<tr>
<td>Elbasan</td>
<td>KfW-Concession/Management Contract “Elber”</td>
<td>2001-2008</td>
</tr>
<tr>
<td>Shkoder</td>
<td>KfW-Lake Shkoder Environment Protection Project</td>
<td>2009-ongoing</td>
</tr>
<tr>
<td>Vlore</td>
<td>Netherlands Funds -Accompanying Measures Program</td>
<td>2007-2010</td>
</tr>
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</table>

Based on the survey analysis, the above listed utilities are reported to have an average to high degree of systems and procedures established for performing Customer Service functions. In addition to the utilities shown in the above table, the Consultant has observed two outstanding utilities, Tirana and Korca, that report great progress and improvement in terms of provision of customer service and performance indicators.

In light of the above observations and in full cooperation with the Water Regulatory Authority, the Consultant conducted eight on-site visits and interviews, following the same structured survey questionnaire format.

The purpose was to attempt to identify what was possible, in Albania, if only in particular aspects of customer service. When selecting utilities to visit, the Consultant, assisted by the Water Regulatory Authority, was very careful to look for a representative sample from large, medium
and small water utilities in Albania. The following water supply and sewerage utilities were selected for on-site visits.

- Site Visit #1: Water Supply and Sewerage Utility of Tirana
- Site Visit #2: Water Supply and Sewerage Utility of Durres
- Site Visit #3: Water Supply and Sewerage Utility of Shkoder
- Site Visit #4: Water Supply and Sewerage Utility of Korce
- Site Visit #5: Water Supply and Sewerage Utility of Pogradec
- Site Visit #6: Water Supply and Sewerage Utility of Elbasan (Elber shpk)
- Site Visit #7: Water Supply and Sewerage Utility of Kruje
- Site Visit #3: Water Supply and Sewerage Utility of Lezhe

The findings from these “Good Practices” from the Albanian Sector are presented below:
Tirana Water Supply and Sewerage Utility

Date of Visit: Wednesday 18 May 2011

Staff Interviewed: Ilirjan Shkembi

Title: Director of Sales Department

Tirana Water Supply and Sewerage Utility is the largest water utility in Albania, serving an estimated population of 938,350 inhabitants, out of which around 700,000 are estimated to live within the administrative boundary of the Municipality of Tirana.

Tirana Utility has made unbelievable progress since January 2010 through the great commitment of its new leadership and staff. The main focus and efforts of the company ever since has been to institutionalize ‘think customer first’. Customer care is considered the corporate responsibility and this has significant implications for the utility management and supervisory council.

With the initiative of the new leadership Tirana Water Utility faced organizational restructuring as a fundamental goal the facilitation of clear, open communication that can enable accountability for better results. Now there is a greater emphasis on delegating more responsibilities and authority to lower levels and encouraging interdepartmental collaboration as part of a Total Quality Management approach. Flatter styles of communication are implemented so that decisions can be made closer to the issue. Prevailing ‘vertical hold’ practices concerned with ‘keeping the boss happy’ are replaced by an emphasis on ‘horizontal hold’ that maximizes co-operation between different units in Tirana Utility. This involved bringing the focus to address two questions:

a) What can we do for you to improve customer services?
b) What can you do for me to improve customer services?

Organization of Customer Service Functions and Responsibilities

The main Customer Service functions and activities are conducted by the Sales Department located mainly at the Utility Headquarters. To be able to align more “line function” in its overall structure the Senior Management decided to divide the service area of Tirana into four major zones establishing Utility Units responsible for each zone. The Sales Department is responsible to manage the entire meter reading, billing and collection cycle, customer complaint management, implementation of disconnection/new connection policies with full authority and accountability for maintaining all information on the customer data base, and for improving and maintaining a high collection rate. While the Public Relation and Communication office, which reports directly to the General Director, is responsible to develop and implement an effective and sustainable customer communications/customer relations program. Overall the staff responsible for Customer Service Management is new, talented, educated and motivated to perform well.
Customer Database Management

Within a record rapid time of two months, not ever experienced in Albania before, the Director of Sales Department assisted by his staff and IT advisors has build and implemented an outstanding new powerful Computerized Customer Database System that streamlines Customer Billing and Collection structured to contain detailed necessary customer fields such as Customer Identification Number, Customer Billing Zone Code, Customer Connection Address, Detailed Customer Category, Customer Contact Details (i.e. Email/Tel/Cell-phone), Customer Bank Account Information, Water Meter Identification Code/Number, Meter Reading Records, Number of Household members, Customer Geo Coordinates, Records of direct communications with customer (phone calls, complaints, etc). The whole staff of Sales Department was trained internally to operate the Customer Service Database and Billing and Collection System.

Billing and Collection Management

The Billing and Collection software is server based with all information being stored in a primary database on a central server, which allows quicker computing times on remote workstations. The Billing and Collection system has been also installed at the four units of the company which report to the headquarters via intranet system. All tables in the billing software are directly linked to one another, allowing for direct conversion of information from the field being processed by the user, to all other related fields.

The bills are delivered to the customer premises by the meter readers. With the restructuring of the company the Senior Management was entirely focused to optimize the meter readers routes and to hold readers accountable for all data and information provided.

The customers are now offered a wide range of bill payment channels to include payment in person at collection/cashier offices, payment at postal services, payment through bank transfers and direct debiting to customer bank accounts.

Customer Complaint Management

Another innovation was the introduction and implementation of a Computerized Complaint Management System which is operational since September 2010. Monitoring of complaints and customer feedback is considered the traditional means of gauging customers’ reaction. The utility sees the customer complaint process as an important aspect of checking on the quality of service provided by the Utility, and therefore places a high priority on soliciting and addressing customer complaints.

The Utility provides for both electronic and printed form of Complaint. The electronic complaint form is incorporated inside Company Website while the printed format is made available at all Customer Information Points.

The Complaint Tracking system is quite impressive and functional, and the response time as well as responsible assigned staff is very strictly monitored. The Customer Information Point is the centralized function to receive, transmit, monitor and follow-up on all customer complaints for the whole Utility. Even though the customers may use different ways to submit complaints, the Customer Information Point documents the complaints into the Complaint Tracking system, on a
daily basis, and tracks these complaints to their final resolution.

Two dedicated complaint management operators are located at the Customer Information Point at Utility Headquarters. The Customer is always notified when the Utility Team plans to visit its premises and in cases when the problem is resolved on-site the customer is required to sign the Complaint Resolution Form which is then submitted to the Customer Complaint Operators to be filed in the system.

**Service Disconnection Management**

Since April 2010 the Utility is struggling to enforce the Service Termination policy to all customers that don’t pay. Tirana Utility is one of the rarest cases in Albania that has made great improvements in this direction which has resulted to an unexpected bill collection increase within six months. Implementation of Service Disconnection and Follow–Up is the most challenging task which requests commitment at all utility levels and is associated with the necessary public communication campaign through media involvement. Such utility actions has changed the former institutionalized concept of “Impossible to Deal with Delinquent Customers” and showed great improvements in the customer attitudes.

**Public Relation and Communication Management**

The Public Relation and Communication office was newly reorganized at Tirana Utility when the company faced the major restructuring in mid 2010. This office is utilizing different channels to maintain communication with customers and general public. This involves great cooperation with Media, public meetings in schools, sponsoring major events such as World Water Day, etc. Tirana Utility has a developed a unique corporate identity and branding visible at all levels starting from the entrance reception to the network teams, utility vehicles etc. In addition the Public Relation/Communication Office has developed and implemented:

- Bill Inserts
- Company Leaflets and Brochures
- Public awareness campaign (meter installation launch)
- Poster Displays
- Press articles/ release/conference
- Visitor Tours at Company Premises
- Seminar/Workshop Hosting and Arrangements at Company Premises

The Public Relation Office is focused to prepare and update a Annual Public Relation and Communication Plan and to routinely budget for the Public Relation activities as part of the overall O&M budget.

**Meter Installation and Meter Reading Management**

The installation of customer water meters has a significant impact on the commercial performance of Tirana Water Utility. Currently the Utility is implementing a major capital investment program which aims full metering coverage at all customer categories and installation of bulk water meters to all 14 surrounding communes. The meter installation program is performed by the utility staff. The Customers are informed through different sources regarding company measures to install water meters. Currently the water metering coverage is approximately 68%. The water meter has
the company logo and barcode. The meters are read on monthly basis by the readers and all readings are entered into the Billing system within 4-6 days. The leadership of the company has invested to optimize the meter reader routes, train the readers and make them accountable for the information provided.

Adopting Customer Service practices and approaches for Tirana Utility is only part of the process. Sustaining them over the years is an equal challenge. Building on early success and motivation will assist this process, as will documenting the lessons. The Utility Leadership is committed to increase and evaluate Customer Satisfaction and enhance utility staff motivation through “process/task management”.

Tirana Utility staff believes that Customer Relation Management does not come naturally; **it is deliberately made to happen.**
The Durres Water Utility currently provides water supply and sewerage services to the city of Durres, four adjacent municipalities, and about 11 communes along the route of the existing water transmission main to the city, which may be defined as the existing Durres Water Service Area. Durres Water Supply and Sewerage Utility is the second largest utility in Albania serving a population of approximately 400,000 inhabitants. Durres Water Supply and Sewerage Company was one of the first water supply and sewerage companies in Albania selected to be part of a Private Sector Participation Program funded by the World Bank which included also the water companies of Fier, Lezhe and Saranda. The Management Contractor directed the major operation, maintenance and management activities of the four Water Utilities. Computerized billing and collection, and financial and accounting systems were installed, and made operational.

**Organization of Customer Service Functions and Responsibilities**

The main Customer Service functions and activities are conducted by the Sales Department of Durres Utility. The Sales Department is responsible to manage the entire meter reading, billing and collection cycle, customer complaint management, implementation of disconnection/new connection policies and Customer Communication activities with full authority and accountability for maintaining all information on the customer database. During the time of the Management Contract, a Customer Communication/Information Unit was created and located at the Utility Premises which is operational and staffed to handle all Customer Complaints and Communication. The entire staff of Sales Department was trained on Customer Care Services, in the framework of the World Bank Public Communication Project.

**Customer Database Management**

Durres Utility has inherited and currently operates a very comprehensive and extended customer database as part of its Komtel Billing and Collection System which was installed during the Management Contract. The customer database contains a large number of customer fields (even though not fully populated with information) that allows for in-depth customer analysis and trends. Currently the staff of Sales Department have populated and utilized the following fields of Customer Information within the database: Customer Identification Number, Customer Billing Zone Code, Customer Connection Address, Detailed Customer Category, Customer Contact Details (i.e. Email/Tel/Cell-phone), Meter Reading Records, Number of Household members, Customer Identification Card etc. The whole staff of Sales Department was trained to operate the Customer Service Database and Billing and Collection System. Customers are grouped and indexed on the...
basis of an individual, non repeating customer code (either numeric, or alpha-numeric). The customer codes can be used as the key field for differentiating between customers within the billing software.

**Billing and Collection Management**

Since 2006, Durres Utility operates a server based Billing and Collection software with all information being stored in a primary database on a central server, which allows quicker computing times on remote workstations.

The billing software package possesses the ability to classify bills by water distribution zone and water meter reader. Both of the aforementioned functions are crucial to improving the collection rates of the utility and in analyzing for "non-revenue water" usage. The transaction management within billing database and complete access to the database is accomplished by Stored Procedures and User Defined Functions, and obtains all transaction within database. This solution improves speed, integrity, functionality and sustainability. The reliability and speed of this system is the biggest advantage.

Once generated by the software, the bills are delivered to the customer premises by the meter readers/bill distributors. The monthly consumption for all un-metered customers is calculated automatically from the billing software by applying a fixed consumption norm of 10m3 per month for families with two or less members and 20 m3 per month for families with more than two members. The consumption norms for all customer subcategories are set and based on an internal agreement with the Customer Service Department.

The customers are offered several bill payment alternatives to include:

- Payment in person at collection/cashier offices located in the City and in the main offices
- Payment at all postal services
- Payment through bank transfers and direct debiting to customer bank accounts.

**Customer Complaint Management**

The Customer Information/Communication Unit established at the main utility premises is responsible to handle and monitor Customer Complaints. The Utility provides only hard copy of complaint form which is made available only at the Customer Information Unit. The Complaint Recording System is kept entirety manually and not made part of Customer Database system up to date. There is a great need identified for improvements in this area of Customer Service function.

**Public Relation and Communication Management**

The Public Relation and Communication activities for Durres Utility are mainly handled by the Customer information/Communication Office. Although considered very limited for a utility of a size of Durres, the communication is driven by mainly utilizing on of the following forms:

- Bill Inserts
- Bill section intended for Customer Information/Notification
- Company Brochures (limited number)
Press articles

**Meter Installation and Meter Reading Management**

The Utility of Durres is implementing a Meter Installation Program since 2009. The meter installation program is performed by the utility staff. The Customers are informed through different sources regarding company measures to install water meters. The Company charges a Meter Connection Fee which is paid by the customers based on the agreed installment schedule. Currently the water metering coverage is approximately 50%. The meters are read on monthly basis by the readers and all readings are entered into the Billing system.

**Service Disconnection Management**

Since June 2010 the Senior Management of Durres Utility is implementing a very aggressive Service Disconnections Action Plan to all customers that don’t pay or customers that are illegally connected to the water supply and sewerage network (mainly in suburbs areas). Durres Utility is one of the fewest utilities in Albania that has made improvements in this direction which has resulted to increase in collection efficiency and reduction of Non-Revenue Water. Implementation of Service Disconnection and Follow –Up by a structured Task Force Team is the most challenging task which various times was associated with incidents or resistance from the delinquent customers and hit the news headlines several times. With respect to the implementation of service disconnection Strategy, Durres Utility was considered as “Best Practice” from the Benchmarking and Monitoring Directorate during its 5th Year Conference held in April 2011.
Shkoder Water Supply and Sewerage Utility

Date of Visit: Monday 23 May 2011

Staff Interviewed: Valbona Paja

Title: Director of Customer Service Department

Shkoder Water Supply and Sewerage Company provide retail water supply and sewerage services to the Municipality of Shkoder and a number of villages within the surrounding areas of its administrative boundaries. Shkoder Utility, through the initial support of a grant from Austrian Government, and a current Capital Investment Program has established and maintains a well organized Customer Service Center. The Customer Service Offices of the Company are located in an excellent location in the City Center with good visibility from the street and a first floor entrance. The Customer Service Center provides many valuable and important services to all customers. All services are aimed at providing the Company’s customers with a prompt, courteous service to maintain the high level of customer satisfaction that has been earned by the Company.

Organization of Customer Service Functions and Responsibilities

The Customer Service Department is a key operating Department of the Company, and is treated as “line function” in the overall organization of the Company. The Customer Service department has developed and implements a very well structured Customer Service Operations Manual designed to serve as a standard procedures manual for the routine activities of the staff of the Customer Service Department. The Customer Service Department is responsible to manage the entire meter reading, billing, collection cycle, with full authority and accountability for maintaining all information on the customer data base, and for improving and maintaining a high collection rate. In addition, the Customer Service Department is also responsible to develop and implement an effective and sustainable customer communications/customer relations program. The Customer Service Department has prepared detailed Job Descriptions for all positions of the Department’s staff.

Customer Database Management

Since end of 2009, major improvements have occurred in the progress made by procurement, installation and training of Integrated Management Systems respectively 3S Billing and Collection and the Open Source/Web-based GIS software. The customer databases are structured and populated with detailed Customer Information fields to include: Customer Identification Number, Customer Billing Zone Code, Customer Connection Address, Detailed Customer Category, Customer Contact Details (i.e. Email/Tel/Cell-phone), Customer Bank
Account Information, Water Meter Identification Code/Number, Meter Reading Records, Number of Household members, Customer GIS, Records of direct communications with customer (phone calls, complaints, etc). The staff of Customer Service Department are trained to operate both Customer Billing Database and GIS Database and to routinely update the systems to be able to maintain the recent changes equally in each

**Billing and Collection Management**

The billing software is designed to receive meter readings from which it calculates consumption, or the software can be provided with constant values that would produce a water bill based on a stated consumption norm. The billing software is server based with all information being stored in a primary database on a central server, which allows quicker computing times on remote workstations.

All tables in the billing software are directly linked to one another, allowing for direct conversion of information from the field being processed by the user, to all other related fields. The software provides a level of security acceptable to the user.

The customer bill is designed to display the charges for the water supply service; the sewerage service, as applicable; the monthly fixed fee; as well as charges for any additional services provided to the customer by the Company; and the VAT application on all services as directed by the law.

The bills are delivered to the customer premises by the meter readers. The customer will receive the bill for the previous month within the 15th day of the following month. In cases when the Customer is in disagreement with the Company regarding the amount billed, the Customer, within 5 business days of the receipt of the bill, submits a written complaint to the Customer Service Office of the Company. Bills are also distributed by regular postal services for a group of customers that need to receive the water bill on the first days of the month (usually before the 5th day of the month) to be able to meet the schedule of payments to the Tax Office on time. The Company has entered into agreement with two banks (Procredit and UBA) to send the bills directly to each bank for groups of customers that have accounts with the banks, and have agreed and authorized the banks to withdraw the funds from the customer accounts for payment of the water bill. The Company receives the Bank Statement, and based on payment transactions, enters the collections into the Billing System.

The collection of bills issued by the Company, after the provision of quality service, is the next most important activity that the Company is dedicated to perform well. The Company has set a goal of achieving total cost recovery from the value of the bills issued and collected, and for that reason the staff of Customer Service Department is mainly focused on timely bill collection. The Company has provided for five (5) cashier units at the main Customer Service Center in the City Center, and five (5) local cashier collection offices operating in various parts of the City. The Utility has provided for several bank branches to the customers for paying their bills. Also, the Utility has entered into agreements with two banks (Procredit and UBA) to proceed with a direct debit method, where the customer mandates his bank to pay his water and sewerage bill on the date the payment is due directly from his account.
Meter Installation and Meter Reading Management

The Utility is committed to a management policy of full metering of supply and consumption. The installation of customer water meters is an important part of the capital investment program co-funded by KfW, Austrian development Agency and Swiss Cooperation. Currently the meter coverage is very low, approximately 5%. The geographic information (GIS) system installed at the Company offices has the inventory of all registered customer structures, which fully comply with the billing and collection database, and make it easy to identify customers and customer locations prior to meter installation. The billing software produces electronic and printable reading lists which are given to the meter readers as hard copies or uploaded to Electronic Meter Reading Devices. Once the meter readers have read and recorded the readings on the reading list the next step is to appropriately enter all collected meter readings into the customer account record in the main server at the Customer Service Billing Department. The billing software then automatically calculates the recent monthly metered or un-metered consumptions per each service (water and/or sewer discharge) provided to all active customers.

Customer Complaint Management

The Customer Service Department of the Company has developed a policy toward Customer Complaints that seeks to resolve complaints in an efficient way. The Company is implementing a standardized, computer-based information system as part of GIS Database system that will fully document, manage and support the follow-up of the entire complaint registration and resolution process. The Company has made available the following means/locations where a customer can obtain a complaint form and submit/enter a formal complaint:

- Customer Service Center/ Information Point
- All bill payment cashier Locations
- Meter reader
- Internet website-Special Complaint Form
- Internet & E-mail

Even though the customers may use different ways to submit complaints, the Customer Information Point documents the complaints into the data management system, on a daily basis, and tracks these complaints to their final resolution.

Service Disconnection Management

Although it is the objective, and in the interest of Shkoder Utility, to increase services and the number of service connections, the Customer Service Department implements a Service Disconnection Policy through a well organized Task Force Team, for lack of compliance by the customer with the terms of the Customer Service Contract, or by a request of the customer for a permanent or temporary termination of service.

Public Relation and Communication Management

The Utility has developed and currently implements a Public Relation/Communication Plan which includes activities and events in support to the Utility Business Plan Strategic Goals. A great achievement of this plan is the development and utilization of the Shkoder Utility Website.
(www.ukshkoder-al.com), a very comprehensive, informative and visually well received innovation for the entire utility.

The Public Communication strategy aims to build a sustainable system of public relations and customer services across the UK Shkodra for the following reasons:

- To protect the environment;
- To promote a responsible use of drinking water;
- To establish a culture of paying for drinking water;
- To create a corporate culture of care and respect for the customers;
- To facilitate the line communication between managers and staff of the company.

The short-term goal is to increase the awareness and the support of the local population in the service area of the UK Shkodra towards the Company and the “Water Supply and Environmental Protection – Lake Shkodra Project”.
The Korce Water Supply and Sewerage Utility is a medium Albanian water utility serving 20,600 customers or a total population of 87,500 inhabitants. Currently the utility is ranked as the best water utility performing in Albania providing Water Supply Service, Sewerage Discharge and Wastewater Treatment. This performance improvement started in year 1998 with the Capital and Institutional Investment occurred in Korce Water Utility, time when the utility gave a great importance to the restructuring of the organization of the staff, development of job descriptions, implementation of written procedures and staff qualification.

### Organization of Customer Service Functions and Responsibilities

Currently the Customer Service Office is under the Administrative Department and is composed of one Head of Customer Communications who is responsible for tracking customer contracts (including new connections) and customer complains in the database, and for leading the everyday work of the meter readers (bill distributors) and the two plumbers that are responsible for small reparations and interruptions coordinated by the Customer Service Office. The Customer Service Office has also 2 billing operators responsible for updating the customer database, recording meter readings and bill generation, and 4 cashier operators responsible for entering payments online (in real time) in the system. Under the Administrative Department there is also one person responsible for the PR Activities of the Company and an IT responsible for the maintenance of the billing and collection computer network. Even though Korce Water Utility never had a Company Website, they have planned to develop it within year 2011 and are currently structuring its information and ways of interactions.

The Customer Service Office is well-located in the center of the City and its regular hours are 08:00–16:00 from Monday to Friday. This is also the time when customer can report emergency directly to this office or by calling in the published telephone number. The Korce Water Utility is not the case of a utility with emergencies due to the very new and modern network which allows for all possible small emergencies to be isolated and resolved within few hours. Given the fact that the staff of the Customer Service Office is financially well-motivated with competitive salaries the utility does not apply Bonus Programs for Good Performance but in cases of falling performance (billing ratios lower than 80% of the total produced water) the company applies Penalty Policies in form of specific salary deductions.

All the staff of the Customer Service Office was well trained during the investment phases of

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<td>Staff Interviewed:</td>
<td>Elia Zjarri</td>
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<tr>
<td>Title:</td>
<td>Director of Administrative Department</td>
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the investments and is always internally trained on every change in job descriptions or procedures.

**Customer Database Management**

It has been now more than 10 years that Korce Water Utility is running a Billing and Collection Program and an integrated Complaint Tracking Module. Even though the customer database used by this program is very powerful the information fields used by the utility are; Customer Identification Number (ID), Billing and Pressure Zone, Customer Route Code, Customer Category, Water Meter ID, Customer Connection Address, ID-Card of the Representative Person, Meter Reading Records, Number of Household Members and Complaint Records for which the company maintains confidentiality of data. Customer Contacts such as e-mail and telephone are not being used by the utility due to the inconsistencies of these data related to the high changing frequencies of these communication channels from the customer side.

**Public Information / Communication and Customer Feedback Management**

As presented above the PR activities are planned and budgeted every year and are mainly allocated for Bill Inserts, Leaflets, Poster Displays, Press Articles, Conference, World Water Day, Children Water Education Program, and Visitor Tours at Utility Premises. All the PR activities are being developed and carried out only by the teamwork of the full-time staff of the utility and sometimes the collaboration with the Albanian Water Supply and Sewerage Association.

Due to the fact that the Korce Water Utility currently provides quality of service and is competitive even with developed cities of Europe the conducted surveys in form of questionnaires related to customer feedback on the quality of service have been minimized to once every 1 years for specific customer feedbacks.

**Customer Complaint Management**

The only location where a customer can submit a Customer Complaint is the Customer Service Office, while general complaints related to spotted network problems can be done even through the published telephone number of the Customer Service Office. The Korca Water Utility has a Dedicated Complaints Management Module inside the Billing and Collection Program which is used mainly by the Head of Customer Communications who specifies the type of the complaints (technical, billing, administrative, etc.) and addresses them to the responsible employee/department for follow up. The Technical Department can access and view the Customer Complaints Management Module for additional information needed for writing task orders. Once the complaint is addressed and resolved the Head of Customer Communications notifies the customer mainly by telephone for the status of the complaint.

**Meter Reading Management**

The reading of the water meters is being performed by meter readers which are dressed with a uniform of the Korca Water Utility with the UKKO Logo. The Billing and Collection Software with its complete customer addresses, water meter ID and a Customer Route Code helps in printing monthly billing registers for an efficient on-site reading and fast entry in the Billing and Collection Software from the billing operators. Another option that facilitates the meter reading
activity is the option of reading the water meter based on customer request. In addition the job
description of a meter reader foresees inspect and fulfillment of standard report form for
identified water meter damages or tampers.

**Billing and Collection Management**

The Billing and Collection cycle of the Korce Water Utility is monthly and has a payment
obligation to be made within the next month of a printed bill. All bills are being distributed only
by the above motioned meter readers which are responsible also for the bill distribution. The
payment channels available to the customer of Korce Water Utility are directly at the cashier
windows insight the Customer Service Office or by Bank Transfers at the Bank Office. The
option of collections through the Post Office is not being offered because has resulted to be
expensive. Also no payments through Direct Debit from Customer Bank Accounts or payments
with Credit Cards are available due to the very low application of these payment methods by
the citizens Korce in the everyday life.

Currently all past due payments of the utility are managed by Billing and Collection Software.
The monthly bill provides information for the last 6 unpaid bills and the overall past due
payment balance. Even though the monthly bill provides also an area for different information or
warnings, the utility has chosen the use of separated leaflets accompanying the bill for
information such as Changes on Tariff, Service Disconnection Warnings or other dedicated
information due to their success in attracting the customer attention.

**Service Disconnection Management**

The Korce Water Utility has written procedures for actions that are carried out for service
disconnection of non-paying customers. These actions start with 1 service termination
notification accompanied by a detailed Past Due Payment situation for all the customers having
more than 3 months unpaid bills and a second and final notification for the date of the service
termination and trial to be brought on court. All the above notifications are being sent by the
meter readers (bill distributor) and actions on service terminations are delegated to the
Technical Department and also assisted by the meter reader of the billing zone.

Due to the very low number of non-paying customers, the Korce Water Utility has no
institutionalized Task Force in its Organizational Structure. Only in the extraordinary situations,
Temporary Task Force Groups are created and supported by the Municipality Police Force for
performing immediate service termination.

The Korce Water Utility applies a reconnection fee once all past due payments are paid.
The Pogradec Water Supply and Sewerage Utility is a medium Albanian water utility located in the city of Pogradec, South of Ohrid Lake. The reported served connections of the utility is 12,876 for a total population of 56,103 inhabitants. The Pogradec Water Supply provides Water Supply Service, Sewerage Discharge Service and Wastewater Treatment Service and is considered as an Albanian utility providing a high quality service. Most of positive changes in the administrative performance began in year 2004 with the start of the technical assistance where was also foreseen the installation of a Billing and Collection Software and improvement of the organization of the Customer Service Department. Currently all the flow of information is well documented in standard printed forms and arranged mostly electronically.

**Organization of Customer Service Functions and Responsibilities**

The Customer Service Department of the Pogradec Water Utility is composed of the Head of Department; one customer communication operator who is responsible for recording and addressing customer complaints and requests for new connections or contract updates; one billing operator responsible for entering the collected meter reading list, generation of monthly bills and update of customer database; two cashier operators responsible for entering the payments online and 16 meter readers and task force responsible for meter readings, inspections and service disconnections. An IT specialist is in support for the maintenance of the computer network and billing and collection program. There is no official employee responsible for the PR Activities, which are mainly conceived and planed by the Director of the Company and implemented by the Head of the Customer Service Department. Actually no website for the Company is available but the Company has planned to develop and build a company website within the end of year 2011.

The Pogradec Water Utility has only one Customer Service Office and its regular hours are 08:00–15:00 from Monday to Friday for payments and 08:00–10:00 from Monday to Friday for complains. Emergencies can be reported by the directly to Customer Service Office or through the dedicated telephone number from 08:00–15:00 from Monday to Friday.

All the staff of the Customer Service Department was trained in year 2004 for their updated duties, procedures to be followed, forms to be completed and software applications to be used during their everyday work. That was the only training received by the staff of the Customer
Service Department while new employees are trained on the job by their supervisors. Currently no Bonus Programs for Good Performance is being applied on meter readers, task force or cashiers.

**Customer Database Management**

The Pogradec Water Utility is running a Billing and Collection Program with an integrated Complain Tracking Module. The database used by this program includes: Customer Identification Number (ID), Billing and Pressure Zone, Customer Route Code, Customer Category, Water Meter ID, Customer Connection Address, ID-Card of the Representative Person, Customer Contacts (e-mail and telephone), Meter Reading Records, Number of Household Members, Complaint Records and other technical information of the connection. Even though the database provides information fields related to customer contact, no effort was spent to populate these data and they are mainly left empty because no contact procedures through telephone or e-mail are established by the Company.

**Public Information / Communication and Customer Feedback Management**

As mentioned above the PR activities are conceived by the Director of the Company and implemented by the Head of the Customer Service Department. There is no planned/dedicated annual budget for Bill Inserts, Leaflets, Conference, World Water Day, and Children Water Education Program. Expenses for these PR activities are occurring only when the need indicates or when the Albanian Water Supply and Sewerage Association calls for participation to water related programs.

In addition, the Pogradec Water Utility does not evaluate the customer feedback on the quality of service or conduct any survey related to this issue.

**Customer Complaint Management**

The Pogradec Water Utility has a Dedicated Complaints Management Module integrated within the Billing and Collection Software which provides a high efficiency in tracking and addressing Customer Complaints. Currently there is no published telephone number for submitting complaints and the only way for submitting complaints is only at the Customer Service Office by completing a standard complaint form. The customer communication operator indicates the preliminary time and priority to resolve the Customer Complaint. All these forms are recorded insight the Complaint Management Module with a priority rank and than processed in the form of signed printed task orders to the responsible Department. Usually there is not notification done by telephone or by e-mail for informing customers on the progress being made to address their complaints. The only way to get information related on the progress of the complaint is the Customer Service Office.

**Meter Reading Management**

The process of reading water meters is being performed by the meter readers. This process consists in both reading of the meter reader and distribution of the monthly bill, and is based on a scheduled work plan which starts on the 2nd of the month and finishes on the 22nd of the same month. All meter readers are wearing a badge that shows that they belong to the Pogradec Water Utility.
All the reading lists used by the meter readers are printed from the Billing and Collection Software and show the Address and Name of the Customer, Previous Reading, Water Meter ID and the Customer Route Code which allows for an efficient on-site reading and fast entry in the Billing and Collection Software from the billing operators.

The reading of the water meters is being performed by meter readers which are dressed with a uniform of the Korca Water Utility with the UKKO Logo. The Billing and Collection Software with its complete customer addresses, water meter ID and a Customer Route Code helps in printing monthly billing registers for an efficient on-site reading and fast entry in the Billing and Collection Software from the billing operators.

**Billing and Collection Management**

Due to the fact that the delivering monthly bills through postal service resulted not cost efficient and not fully reliable, the Pogradec Water Utility decided to continue the distribution of monthly bills only with the meter readers.

Payment channels made available to the Customer are; the cashier spot within the Customer Service Office, Postal Office and Bank Transfer or Direct Debit form the Customer Bank Account. Even though these many payment channels have been provided the preferred one remains still the cashier spot of the Company, while the bank options are used mainly by the Private Entities or Institutions.

Currently the monthly bill of the customer shows the monthly amount billed, the previous 6 unpaid bills if any and the total past due amount. The monthly bill provides also an information section which is not updated that frequently with PR Expressions.

**Service Disconnection Management**

As mentioned above the Pogradec Water Utility has established two task force groups dealing only with service disconnection of non-paying customers. The termination plan foresees the notification of the customer 1 to 2 times and ends with the final termination of the service accompanied with a trial brought to court if the customer does not accept to pay his past due amounts. The Pogradec Water Utility applies a reconnection Tariff to all terminated connections after the payment of all the past due amounts.
The first example of Private Sector Participation contract in the water sector in Albania was the concession contract awarded to Berlinwasser International (BWI) in 2002 for what was then the State-owned Water Supply and Sewerage Enterprise serving the City of Elbasan. The procurement was conducted as unsolicited bid. Elber shpk was the water Supply and Sewerage created to provide water supply and sewerage services to 100,000 inhabitants. This project was funded by Kreditanstalt für Wiederaufbau (KfW). The Elbasan concession resulted in a mixed experience, which never went past the 5th year of a 30 year concession contract. There are varying explanations as to the difficulties that challenged the concessionaire to the point of suffering significant financial losses. To avoid further losses, the concessionaire sold the project company, “Elber” to the Ministry of Economy, Trade and Energy. Up to date, Elber shpk is one of the fewest water utilities not yet transferred to the Local Government. The company is in transition phase of changing the status from a limited liability company (shpk) to a joint stock company with a Supervisory Council consisting of representatives from the Local Government. Despite the financial failure experienced by the project company, Elber, it did make some improvements in the operation of the utility in terms of increased hours of supply, increased bill collection rate, and reduced electricity consumption.

### Organization of Customer Service Functions and Responsibilities

The Customer Service/Sales Department was established since the first years of the Concession Contract. This Department is responsible to manage the entire range of customer service functional areas to include meter reading, billing, collection cycle, customer relations/communication, new connection/contracts and disconnection services. During the time of capital investment program, a Customer Care Unit was established and continues to be very functional as a customer interaction spot, with the primary focus on dealing with customer complaints and service connection issues. The Customer Service Offices are located at Company's headquarters in the suburbs of Elbasan city. The Customer Service Department has a total of 52 staff assigned to operate to all customer service functions. Throughout the course of the project the staff of customer service has received training in several key aspects of customer service such as billing and collection procedures and systems, meter management, identification and elimination of illegal connections, public relations etc. Currently the company implements a bonus rewarding program particularly to the staff responsible for bill collection and the task force/service disconnection team.
Customer Database Management

Elber shpk was the first water utility that implemented the first Albanian locally designed Billing and Collection Software called Alpha Water Billing. The level of computerization at the Customer Service offices is quite impressive and the company’s current leadership continues to invest in upgrading the Customer Database System by introducing and implementing new specific system patches that enhance the capabilities of the program. With the initiative of the Head of Customer Service/Sales department the entire Elbasan service area has been sub-divided into sub-zones that are now in the process of configuration and integration into the Customer Data Base System. The creation of the subzones is very important and will further contribute to conduct of water audit/balance by zones. The current customer database in use is rich with information fields such Customer Identification Number (ID), Billing and Pressure Zone, Customer Category, Water Meter ID, Customer Connection Address, ID-Card of the Representative Person, Meter Reading Records, Number of Household Members and Complaint Records for which the company maintains confidentiality of data.

Public Information / Communication and Customer Feedback Management

The Public Relations/Communications activities/events were initially introduced during the concession/management contract where a dedicated fund for PR activities was available for a full range of PR means. Such activities were mainly conducted through the Customer Care Unit. Currently the only PR activities are linked to Bill Inserts, Leaflets, Press Articles and Children Water Education Program. All the PR activities are being developed and carried out only by the teamwork of the full-time staff of the utility and sometimes the collaboration with the Albanian Water Supply and Sewerage Association. The Head of Sales Department is currently involved working to design and display a short-movie with the main theme “The Importance of Water and Impact of Waterborne Diseases”. This initiative is still under development and is intended to be part of one-day workshop with the students from the 9th grade of Secondary Schools in Elbasan.

Customer Complaint Management

The Customer Care Unit located in the Center of Elbasan town is a well organized and trained section of Customer Sales Department designed specifically to deal with Customer Complaints. The staff of this unit is trained extensively during the time of the Concession/Management contract and operates a Customer Complaint Tracking System using Microsoft Excel. At the end of each day the Customer Care Unit prepares a report of the total number of complaints divided into main categories (i.e technical, billing, general) and transmits it to each assigned responsible department for follow up. The Senior Management of the company is in continuous contact with the vendor of the Billing and Collection System in use, to be able to create and implement a specific module incorporated in the software for Customer Complaint Management.

Meter Reading Management

The reading of the water meters is being performed by meter readers/bill distributors that are
identified with the Company IDs and uniforms. Currently the metering coverage for Elbasan is approximately 50%. Once the meter readers have read and recorded the readings on the reading list all collected meter readings into the customer account record in the main server at the Billing Department. The Alpha Water billing software then automatically calculates the recent monthly metered or un-metered consumptions per each service (water and/or sewer discharge) provided to all active customers.

The Company is very interested and committed to a management policy of full metering of supply and consumption and is looking for all necessary financial means to be able to implement this program. In full cooperation with the Technical Department a configuration of all customer supply zones has been done along with the assessment of customer metering needs for each sub-zone.

**Billing and Collection Management**

Since 2004, Elber shpk uses Alpha Water Billing Software for Billing and Collection Management. Alpha Water Bill’s main module for billing and collection comes as package type software, with a module the generation of bills, one for collection of payments, and one for the processing of unpaid bills. The last module proves to be highly effective in the improvement of collection rates within the water utility, as it automatically lists every registered entity that has not posted a payment for the current billing cycle, plus a listing of previously unpaid debts by each entity. The billing software is designed to receive meter readings from which it calculates consumption, or the software can be provided with constant values that would produce a water bill based on a stated consumption norm.

Once generated by the system, the bills are delivered to the customer premises by the meter readers.

The Company has provided for six (6) cashier units in the City Center, and also is considered one of the fewest utilities in Albania that implements a collection system using meter readers/bill distributors. The combination of these two payment channels along with the implementation of bonus/rewarding program based on collection efficiency has resulted in an increased bill collection level during the recent years.

**Service Disconnection Management**

Since January 2011, with the initiative of the new company leadership, a Service Disconnection Campaign has started to be implemented for the entire service area. The Senior Management of the Company is very determined to implement this policy for all company's old debtors as well as those illegally connected to the network. These actions are totally handled by the staff of the company with some level of support from the state police. The implementation of such policy has resulted in improvements in collection efficiency and reduction of Non-Revenue Water. The most difficult cases appear to be mostly in the remote areas where the socio-economic conditions are really poor.
**Utility:** Kruja Water Supply and Sewerage  
**Date of Visit:** Tuesday 27 June 2011  
**Staff Interviewed:** Aida Dedja  
**Title:** Director of Customer Service/Sales Department

### General Background

Kruja Water Supply and Sewerage Company provide water supply and sewerage services to the Municipality of Kruja, to include villages within the administrative boundary of the municipality and to the Commune of Noj. Kruja Water is a small size Utility serving to a total of 3,545 registered customer connections. The Utility has received significant funds for a Two-Phase Capital Investment Program funded by KfW since 2001. The capital investment program was always associated with the financial support for conducting some "Accompanying Measures" to build the management, financial, technical and administrative capacity of the utility. Nevertheless, Kruja continues to be financially not self sustained utility, and the senior management of the utility is striving to change the situation through continuous planning and monitoring and placing a great focus to all customers.

### Organization of Customer Service Functions and Responsibilities

The current structure and staffing of the Kruja Water Supply and Sewerage Company is organized around three departments, which are Technical, Finance and Customer Service. The structure of three departments, under a General Director, is totally appropriate for a utility the size of the Kruja Water Supply and Sewerage Company.

The Customer Service Department was established during the KfW Accompanying Measures Project and has made some great progress particularly as it relates to the implementation and operation of a new computerized billing and collection system. A significant amount of training was delivered to this department in both basic and advanced system operation, as well as in the new billing and collection software. In addition to the training performed by the foreign expert team of the project, the Customer Service Staff exchanged training and experience with other well performing utilities in Albania such as Korca and Pogradec. The total number assigned to this department was reduced throughout the course of this project and a re-allocation of the Customer Service Offices from the Company’s Headquarters to the City Hall premises, occurred almost at the end of the contract, with a primary focus to be closer to the customers for serving them on time.

The Customer Service/Sales Department is responsible to manage the entire range of customer service functional areas to include meter reading, billing, collection cycle, customer relations/communication, new connection/contracts and disconnection services. Currently the
company implements a bonus rewarding program particularly to the staff responsible for bill collection and the task force/service disconnection team. Since the collection efficiency remains still poor, the Senior Management of the utility is trying to enter into an Outsourcing Service Agreement starting only with two pilot zones, assigning Bill Collection responsibilities to a Private Company.

**Customer Database Management**

Kruja Water Utility operates a computerized Data Base Management system as part of the Billing and Collection Software installed at the Customer Service Offices since 2005. To accompany the introduction of billing and collection software, as well as to enhance the functionality of computers previously donated to the water utility, it was determined that all staff within the Kruja water utility undergo a basic and intermediate computer skills training which was implemented successfully by the project experts.

Currently the utility has configured and uses only some general information fields from the Customer Database system such Customer Identification Number (ID), Billing and Pressure Zone, Customer Category, Water Meter ID, Meter Reading Records. The staff has not invested in enhancing the use of Customer Information fields regarding Customer Contact information, Customer bank Account Information etc. Since the service area of Kruja Utility is quite small the utility staff considers to have sufficient communication and relations with all customers.

**Public Information / Communication and Customer Feedback Management**

Although the Utility of Kruja along with the Management Consultant during the time of the project has developed a very comprehensive Annual Public Relation and Communication Plan which was designed in line with the 5 year Business Plan of the Utility, this plan was never implemented entirely. Only few actions were undertaken during the course of the project mainly because the funds were provided by the project. Currently the Utility conducts only few PR activities linked to Bill Inserts and Children Water Education Program. The Communication with the Public is mostly carried out by the Customer Information Office at the City Hall premises and the use of different display-boards in the city that are made available by the Municipality of Kruja.

**Customer Complaint Management**

The Customer Complaint Management is clearly an area where the company should focus to improve in the future. Currently the complaint system is totally kept manually, with no procedures of sorting and categorizing the complaints by type. Although a complaint form is designed and is available to the customers at the Customer Information Office, no further procedures are taken to register or file the complaint in any kind of Ms Office System or Billing and Collection Software. Most of complaints are submitted verbally to the Head of Customer Service through a dedicated phone line. She, then transmits the complaint (again verbally) to the Head of Technical Department for further follow up, while the complaints related to Billing are addressed immediately from the Customer Service Office staff.
**Meter Reading Management**

The reading of the water meters is being performed by meter readers/bill distributors that are identified with the Company IDs and uniforms. Currently the metering coverage for Kruja quite high approximately 90%. The Customer Metering Program was part of Capital Investment Program funded by KfW. Once the meter readers have read and recorded the readings on the reading list all collected meter readings into the customer account record in the main server at the Billing Department. The Alpha Water billing software then automatically calculates the recent monthly metered or un-metered consumptions per each service (water and/or sewer discharge) provided to all active customers.

**Billing and Collection Management**

Since 2005, Kruja Utility uses Alpha Water Billing Software for Billing and Collection Management. Alpha Water Bill was selected based on a Assessment of Billing and Collection Software programs available in Albania and meets all the needs of small to average sized water utility, like Kruja, with ease, as well as aid them in expanding their abilities to create and collect customer invoices. The main billing module was the most applicable choice for the water utility of Kruja for multiple reasons, including cost-effectiveness and the high level of development in the water utilities of Albania. The software is fully compatible with other software packages, leaving the option of upgrading other portions of the water utilities’ data management package.

The Billing staff of Kruja, uses the mainly the general module for billing and collection which comes as package type software, with a module the generation of bills, one for collection of payments, and one for the processing of unpaid bills. The last module proves to be highly effective in the improvement of collection rates within the water utility, as it automatically lists every registered entity that has not posted a payment for the current billing cycle, plus a listing of previously unpaid debts by each entity. The billing software is designed to receive meter readings from which it calculates consumption, or the software can be provided with constant values that would produce a water bill based on a stated consumption norm.

Based on the needs and requests the Billing staff exports reports from Alpha Water Bill into Microsoft Excel for further analysis. One convenient feature included in the software, is the ability to print any screen in the user display. This gives the user the ability to share information about a certain issue or process with other users, as well as print a single customer’s information without taking the time to generate a report within the software.

Once generated by the system, the bills are delivered to the customer premises by the meter readers.

The Utility uses the Customer Service Offices located for bill collection with two cashier points. While the Private Entities and Budgetary Institutions pay through Bank Transfers at the Utility Bank Accounts made available. Actually, the Senior Management staff is also considering to use the meter readers for payment collection and develop a bonus/rewarding program based on collection efficiency

**Service Disconnection Management**

Disconnection of Service is a very difficult and challenging task at Kruja Utility. For several
years the company has organized a Task Force Team consisting of technical and administrative staff which is always supported by the Local Government Police that is responsible to implement service disconnection actions for the entire service area of the utility. However in the majority of the cases, the Task Force Team is reported to face resistance from the people, sometimes going beyond normal circumstances, and although the service may be disconnected by the utility staff, reconnection takes place without any permission. For this reason the Utility has followed up bringing cases to the court and although financially very costly the court procedures take long time to final resolution. Nevertheless, the Senior Management of the Company is very determined to continue implementing this policy for all company’s old debtors as well as those illegally connected to the network.
The Lezhe Water Supply and Sewerage Utility provide services to an estimated population of approximately 30,700 inhabitants or 6,467 served connections. Even though Lezhe is considered as a small water utility it provides retail service to the Municipality of Lezha, as well as to some distant Communes like Shengjin and Balldren. Most of the improvements in the Sales Department happened during year 2006 and are related to the institutional component of the Management Contract. During the year 2006 Lezhe Water Supply and Sewerage Utility installed a Billing and Collection Software and improvement of the organization of the Sales Department.

**Organization of Customer Service Functions and Responsibilities**

In the case of Lezhe water utility all the functions of the Customer Service are managed by the Sales Department. The Sales Department of the Lezhe Water Utility is managed by the Head of Customer Service Department who is responsible at the same time for recording and addressing customer complaints and all requests for new connections or contract updates; one Billing Operator responsible for managing the entire Billing Cycle up to the generation of the monthly bills; one cashier operator responsible for entering the payments online; three inspectors for managing new contracts and old debts; eight meter readers from which two for the Municipality of Lezhe and six for the communes serving at the same time also as collectors.

The Lezhe Water Utility has one Customer Service Office which is located at the at the entrance of the City with operating hours 08:00–16:00 from Monday to Friday and a Collection Office located at the Local Government Building with operating hours 08:00–15:00 from Monday to Friday.

Most of the training of the Customer Service office was received during year 2006-2007 and mainly related to update department procedures and Billing and Collection software applications, while during the last two years three employees of the Customer Service Office received some training related to customer service issues.
**Customer Database Management**

The Lezhe Water Utility is operating a Billing and Collection Program since 2006. The database used by this program includes information fields such as: Customer Identification Number (ID), Billing and Pressure Zone, Customer Route Code, Customer Category, Water Meter ID, Customer Connection Address, Meter Reading Records and Number of Household Members. Even though the database provides information fields related to customer contact, no effort was spent to populate these data and they are mainly left empty because like in most of the Albanian Water Utilities no contact procedures through telephone or e-mail are established.

**Public Information / Communication and Customer Feedback Management**

PR activities are conceived by the Director of the Utility and consist mainly in Bill Inserts, Company Leaflets, Press Articles, World Water Day, and Children Water Education Program. Expenses for these PR activities are occurring only when the need indicates or when the Albanian Water Supply and Sewerage Association calls for participation to water related programs.

The Lezhe Water Utility is the only Utility in Albania that provide for a customer feedback book. The Book of the Customer Opinions contains standard forms with qualitative questions related to the level of the service, staff behaviour and waiting time.

**Customer Complaint Management**

The only way for submitting complaints from the customers of the Utility is at the Customer Service Office. Lezhe Water Utility manages complaints manually based on standard complaint forms which are categorized and assigned to responsible department (Technical, Sales, and Financial). The complaint forms are later recorded in the Complaints Book by the head the Customer Service Office and than addressed to the Responsible Department. Usually there is no notification or any form of information provided to the customer on the progress being made with their complaint.

**Meter Reading Management**

Lezhe Water Utility has eight meter readers which perform their everyday work on a scheduled work plan which consists of reading water meters from the 25th to 30th of the month followed by bill distribution from the 6th to the 15th of next coming month. All meter readers of the Lezhe Water Utility are identified by Utility Badge.

The monthly reading lists used by the meter readers are printed from the Billing and Collection Software and show the Address and Name of the Customer, Water Meter ID and the Customer Route Code which allows for an efficient on-site reading and fast entry of the monthly readings in the Billing and Collection Software.
Billing and Collection Management

For efficiency purposes, Lezhe Water Utility has chosen to distribute all its monthly bills through meter readers without using postal service, while as payment channels available to the Customer has the Collection Office, Postal Office and Bank Transfer. Like in the other Utilities the preferred payment channel is the Collection Office of the Utility while the bank option is used mainly by Private Entities or Institutions.

In addition to the monthly amount billed, the bill shows also the total past due amount that results as unpaid by the customer.

Service Disconnection Management

In support to the service disconnection activities the Lezhe Water Utility has established a Task Force Group composed with four employees. The service disconnection procedure foresees the notification of the non-paying customer for the first time after 3 months and a second notification after 15 days from the first notification specifying the date when the service termination will take place and the legal actions that will be undertaken.
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